MILLIMAN REPORT

Long-term care rate increase survey

An industry survey of strategies and experiences with rate increases

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Section 1: Executive Summary

Milliman completed its first survey in 2016 on premium rate increases for the long-term care (LTC) insurance industry with the second survey in 2021 (2021 Survey). This report documents the third LTC premium rate increase survey. We expect to continue conducting this survey on a recurring basis every three to five years. Seventeen companies participated in the survey. Some of the survey questions remain consistent with the 2021 Survey, which allows for comparisons of the changes in responses over time.

This report provides a summary of the survey findings and assumes that the reader is familiar with LTC insurance and rate increase filings. The survey report is a valuable resource for understanding common practices and trends in LTC rate increase filings.

The results of this survey are intended to provide a summary of nationwide LTC rate increase filings that interested parties may use to form general strategies and approaches to filing LTC rate increases. In preparing this report, we relied on companies to accurately respond. While we reviewed the responses for general reasonableness, we included them as reported. It should also be noted that not all companies answered every question, resulting in the number of responses varying by question.

The carriers included in the survey are listed in Section 1.1. Please note that, when comparing to the 2021 Survey, shifts in responses may be due to the mix of participating companies and/or the blocks of business being reported and may not reflect an overall shift in the market.

Commentary offered throughout this report includes the authors' opinions, which do not necessarily represent those of Milliman. The commentary in this report is based on recent LTC rate filing experience and the current regulatory environment, which is fluid and subject to change. As the responses to the survey are company-specific, the information provided in this report may not be true for all companies or situations.

Because the articles and commentary prepared by the professionals of our firm are often general in nature, we recommend that readers seek the advice of an actuary or attorney before taking any action. We, Mike Bergerson, Andrew Duxbury, and Courtney Williamson, are associated with Milliman, Inc. and are members of the American Academy of Actuaries. We are qualified under the Academy's qualification standards to render the opinions with regard to the actuarial calculations set forth herein.

1.1: SUMMARY OF PARTICIPATION

The 17 companies participating in the survey represent approximately $7 billion in earned premium (over 75% of the industry by premium volume[1]). Participants include companies with large market shares as well as smaller companies. Of the survey participants, two companies are still issuing LTC insurance; the remaining companies only have closed blocks.

The following provides a partial list of participating companies (two respondents asked that their company not be identified):

- Ability Insurance Company
- Bankers Life and Casualty Company
- Brighthouse (Union Fidelity Life Insurance Company responded as the primary risk taker)
- CNA Insurance
- Genworth
- John Hancock
- Knights of Columbus
- Massachusetts Mutual Life Insurance Company
- MedAmerica Insurance Company
- Metropolitan Life Insurance Company

[1] LTC premiums were collected from the year-end 2022 NAIC Experience Reporting Forms.

- New York Life
- RiverSource Life Insurance Company
- State Farm Mutual Automobile Insurance Company
- Transamerica Life Insurance Company
- TruStage

All but four of the blocks of business included in the survey represent individual policies.

Roughly 70% of the participating companies are holding a premium deficiency reserve (PDR) or an additional asset adequacy reserve.

Of the 17 participating companies, 16 have filed at least one rate increase since the 2021 Survey. One company provided additional detail on its nationwide filing that was submitted prior to 2021. As some companies have performed more than one nationwide filing since the 2021 Survey, this survey allowed for multiple responses for each company. This report includes a summary of these rate increase filings. We define a filing as a nationwide rate increase request. We define a submission as the rate increase requested in each separate jurisdiction. Of the 17 participating companies, one company did not provide a detailed summary of its recent rate increase filing. The other 16 companies provided responses detailing 37 recent rate increase filings representing over 1,000 submissions.

1.2: CHANGES IN THE RATE INCREASE ENVIRONMENT IN THE LTC INDUSTRY SINCE 2021 SURVEY

The LTCi Multistate Rate Review Framework (MSA Framework) was adopted by the National Association of Insurance Commissioners (NAIC) LTCi EX Subgroup and the LTCi EX Task Force on December 12, 2021, and the NAIC Executive Committee and Plenary on April 8, 2022. This was intended to be a review process that improved uniformity and timeliness of rate increase approvals across jurisdictions. At the time of this report, the NAIC is discussing revisions to the MSA Framework (specifically regarding a single rate review method). Of the 17 participating companies, five indicated that they participated in the NAIC MSA review process. Of these five, two indicated that the process resulted in larger approvals and a quicker review period.

Similar to the 2021 Survey, participating companies were asked how the COVID-19 pandemic impacted their recent rate increase filings. A little over half of companies noted delays in either the submission or implementation of rate increases. Two companies noted reduced approvals in some jurisdictions due to the pandemic. The remaining companies saw little to no impact on rate increases. More detail on how COVID-19 experience was handled in assumption studies is provided in Section 4.2 below.

1.3: EXECUTIVE SUMMARY

Of the 17 participating companies, 16 filed for at least one rate increase on their LTC business since the 2021 Survey. One company provided additional detail on its nationwide filing that was submitted prior to 2021. The following provides highlights of their experiences:

- *Rate increase approvals:* Where a rate increase has been submitted, 73% of the submissions received a full or partial rate increase approval, with the remaining submissions still pending or having been disapproved. The average rate increase approved was 28%, which is similar to the average 29% approved in the 2021 Survey. In addition, companies needed to comply with various requirements, whether regulatory or not, from state departments of insurance (departments). Some of the common department requests included reducing the increase amount, phasing in the increase, revising the policyholder notification letter, and offering a rate guarantee for a number of years. The average time to approval for submissions was six months.
- *Jurisdictions with high approvals:* Where a disposition has been received, the jurisdictions where the average approval level is approximately equal to the average request level include Alaska, Missouri, Puerto Rico, Wisconsin, and Wyoming. It should be noted that a limited number of dispositions in Puerto Rico were reported and that no average approval exceeded 40%. Jurisdictions reflected in the survey responses that have approved rate increases of 100% or more are California, Colorado, Iowa, Kentucky, Minnesota, Nebraska, Nevada, New Hampshire, Oklahoma, Pennsylvania, Rhode Island,

South Dakota, Tennessee, Virginia, Wisconsin, and Wyoming. In addition, Alaska does not review individual or group LTC rate increase filings.

- *Difficult jurisdictions:* Requirements for rate increase filings vary by jurisdiction. Companies rated jurisdictions by how difficult they found the rate increase filing process was (submission and response work) to obtain approval. Among those noted as requiring the most effort are California, Florida, New Jersey, New York, and Texas.
- *Department meetings:* Some companies organize meetings with departments, sometimes to aid in achieving any rate increase or a higher rate increase. Companies on average met with about 10% of the jurisdictions in which they filed rate increases, which is much lower than the 40% meeting rate in the 2021 Survey.
- *Disapprovals or rate increase reductions:* Reasons a rate increase might be reduced or disapproved vary greatly, but the most common reason is due to a political cap or non-actuarial reason, similar to the 2021 Survey. Changes in the review process in departments are fluid, which makes it difficult to predict the outcome of a rate increase request. North Dakota disapproved around a quarter of the submissions that received a disposition.
- *Policyholder options:* When a rate increase is approved, companies offer reduced benefit options (RBOs) to offset the rate increase. The most common RBOs provided by companies are lowering the daily or monthly benefit, reducing the benefit period, increasing the elimination period, and reducing or dropping inflation protection. The average benefit reduction election rate of impacted policyholders in this survey is 11.9%, which is higher than the average 10.6% election rate in the 2021 Survey. Of the 17 participating companies, five companies offered cash buyouts and one company said it was considering offering cash buyouts. Of the five companies offering cash buyouts, three companies indicated that they were only offered in one state.
- *Contingent benefit upon lapse:* Another option for insureds, if available, is a contingent benefit upon lapse (CBUL). CBUL was voluntarily offered to all insureds in 63% of the filings, which is down from the 2021 Survey where 83% of the respondents offered CBUL to all insureds. The average election rate of impacted policyholders is 2.0%, which is lower than the average 3.8% election rate in the 2021 Survey.
- *Mitigating the need for a rate increase request:* A little under half of the participants indicated they use wellness initiatives to mitigate the need for rate increases. Two participants indicated that they are not taking measures currently but are exploring wellness programs.
- *Driver of the rate increase request:* The justification of the rate increases needed was fairly consistent across all of the companies. Most often, higher than anticipated claim incidence, longer than anticipated claim continuance, lower than anticipated voluntary lapse rates, and improved active life mortality were noted as the most relevant factors comprising the actuarial justification for the rate increase.
- *Setting the rate increase request:* The most common factors determining the generic rate increase approach include the actual-to-expected lifetime loss ratio, a target lifetime loss ratio where only future premiums are increased, and the Prospective Present Value (aka Texas Method) analysis.
- *Rate increase requests:* The minimum average rate increase request for a submission provided in the survey was 2% and the maximum was 581%. The average request for all submissions was 56%. These are all higher than those from the 2021 Survey. About 80% of filings requested the rate increase amount the company determined as needed. For companies that requested the needed amount, common methods for determining the increase needed were the Prospective Present Value analysis and targeting a lifetime loss ratio.
- *Multiyear increases:* 41% of the companies requested a phased-in rate increase in at least one jurisdiction, which is lower than the three-quarters of companies that requested a phase-in in the 2021 Survey. Additionally, departments may require a single rate increase to be phased in as a condition for approval. The jurisdictions for which approvals were most commonly phased in include Colorado, Hawaii, and Maryland.

- *Jurisdictions with rate guarantees:* The jurisdictions that most commonly require a rate guarantee (up to 10 years) as part of the approval of the requested rate increase include Florida, Idaho, and New Mexico.
- *Varied rate increases:* Three-quarters of the filings included in the survey included a request for a rate increase that varied across a variety of parameters, which is higher than in the 2021 Survey, where just over half of filings requested varied increases. Where a varied increase is requested, benefit period and inflation protection were the most common variations.
- *Recouping past losses:* A limiting factor that departments may impose on rate increase requests is whether the request attempts to “recoup past losses.” The most common method for companies to determine whether a rate increase recoups past losses is based on the lifetime loss ratio. However, the Prospective Present Value analysis is also commonly used.
- *Rate stability:* About 90% of the companies that have filed for a rate increase had at least one submission subject to rate stability regulation. The majority of companies requested the same increase for policies subject to loss ratio regulation and rate stability regulation. In over half of the submissions subject to rate stability regulation, companies requested the amount needed to certify to rate stability under moderately adverse conditions.
- *Projection assumptions:* The assumptions for about half of the rate increase filings are developed on a claim cost (i.e., all lives) basis and the other half are developed on a first principles (i.e., model separately active and disabled lives) basis. We asked companies how the assumption used in the rate filings compare to those used in their cash flow testing (CFT). Around three-quarters of companies use the same assumptions as those used in CFT, which is similar to the 2021 Survey.

Section 2: Rate increase filing outcomes

This section discusses the details behind the outcomes of rate increases received by the companies in the survey. Outcomes from a rate increase filing can vary greatly across companies and jurisdictions. They depend on several factors, including, but not limited to, the level of increase requested, the performance of the business relative to the increase requested, the age of the block, and jurisdiction requirements (whether prescribed by regulation or not). This section also includes jurisdiction and policyholder responses to the rate increases. Additionally, this section contains a description and summary of the policyholder options to offset a rate increase.

2.1: APPROVAL PROCESS

Figure 1 shows how many months it took from submission to approval, on average, for each filing in the jurisdictions that approved an increase. The average timeframe for filings in this survey is six months. However, we recognize that some jurisdictions take years to provide an approval. The average timeframe is slightly shorter than the seven-month timeframe in the 2021 Survey.

FIGURE 1: AVERAGE APPROVAL TIMEFRAME

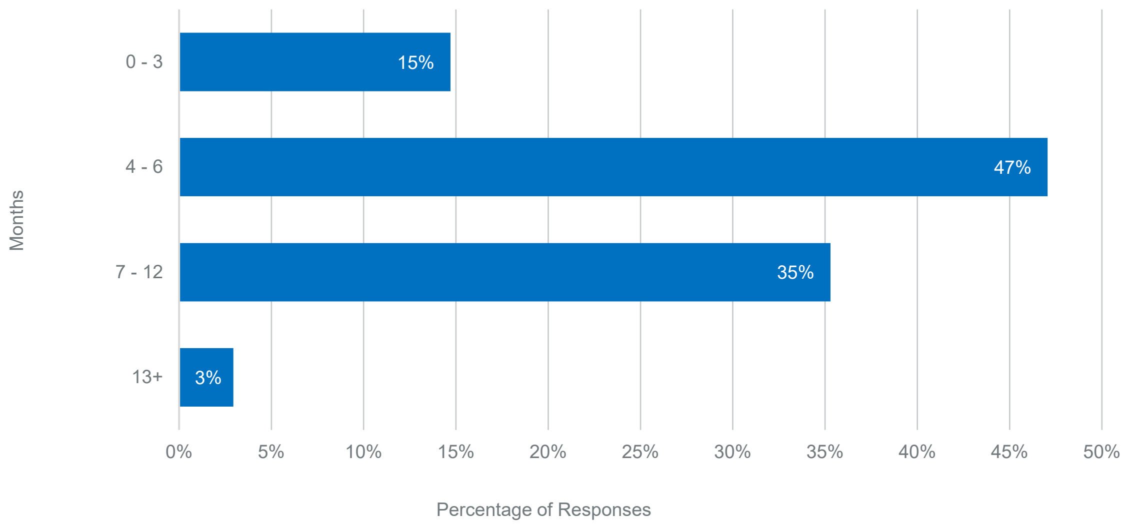


Figure 2 provides the 10 jurisdictions with the longest average length of time to approval. It should be noted that these averages reflect the responses that we received as part of this survey and may not be indicative of the most recent experience or future experience to the extent that jurisdictions have changed their review processes. Figure 40 provides additional detail regarding the average time to approval by jurisdiction.

FIGURE 2: JURISDICTIONS WITH LONGEST AVERAGE TIME TO APPROVAL

California	New York
Colorado	Oregon
Delaware	Rhode Island
Indiana	Vermont
New Jersey	Virginia

The rate increase filing process varies greatly across jurisdictions. Some departments approve rate increases with very few objections while others have multiple objections, asking a variety of actuarial and non-actuarial questions.

Figure 3 provides the top 10 most “difficult” jurisdictions in terms of the filing process as noted by the respondents. Connecticut and New Jersey are new to this list compared to the 2021 Survey, replacing Maine and Montana. Although not specified by respondents, possible reasons a jurisdiction may be considered difficult include complexity of initial submission requirements, length of objections, and extent of non-actuarial requirements (e.g., policyholder options or notification letter).

FIGURE 3: TOP “DIFFICULT” JURISDICTIONS FOR RATE FILINGS

California	New Jersey
Colorado	New York
Connecticut	Texas
Florida	Virginia
Indiana	Washington

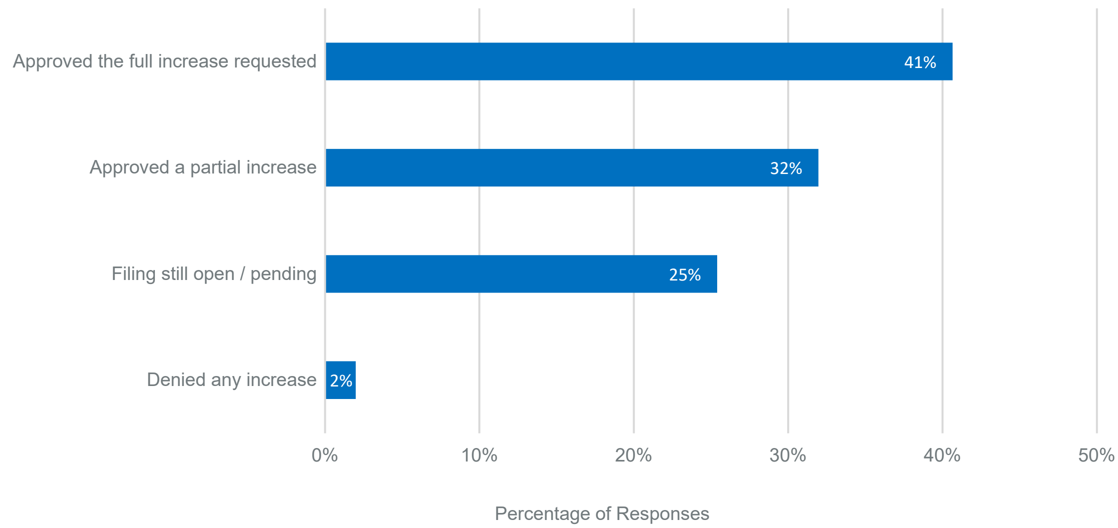
Changes in the review process in jurisdictions are often ongoing, which makes it difficult to predict the outcome of a rate increase request. Figure 4 provides the most common reasons cited by the jurisdictions for reducing or denying a rate increase. Like the 2021 Survey, the most common reason for rate increase reduction or disapproval that companies cited was jurisdictions having a political or non-actuarial cap. The most common responses included as “Other” were that no reason for a reduction or disapproval was cited by the department and the department had concerns for older aged insureds.

FIGURE 4: JURISDICTION REASONS FOR RATE INCREASE REDUCTION OR DISAPPROVAL

REASON	PERCENTAGE OF RESPONSES
Political or non-actuarial cap	70%
Other	13%
Disagreement on justification of rate increase	7%
Not justified based on If-Knew analysis	4%
Subsidizing other jurisdictions	3%
Not enough time passed since last increase	1%
Not justified based on Prospective Present Value (aka Texas Method) analysis	1%
Nationwide historical loss ratio too low	1%
Nationwide lifetime loss ratio too low	0%
Jurisdiction-specific historical loss ratio too low	0%
Jurisdiction-specific lifetime loss ratio too low	0%
Not justified based on If-Knew/Blended Make-Up (aka Minnesota Method) analysis	0%

Figure 5 provides the distribution of department decisions on the submissions. Figure 39 provides additional detail of the distribution of department decisions on submissions in each jurisdiction.

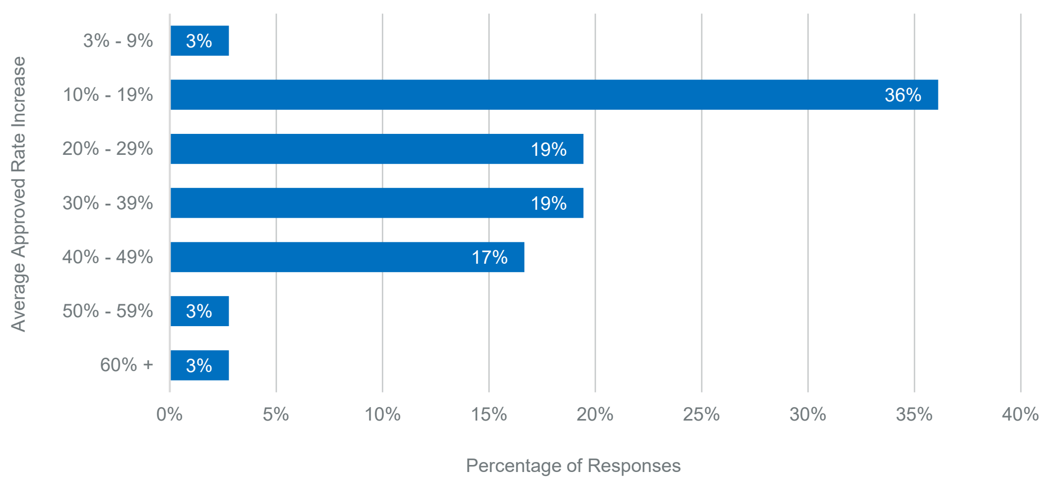
FIGURE 5: DISTRIBUTION OF DISPOSITOINS



2.1.1: Approval experience

Figure 6 provides the distribution of nationwide average approved rate increases where a disposition was received (including 0% for disapprovals in the average). The average rate increase approved was calculated by premium-weighting across the jurisdictions where a disposition was received for each filing. For reference, the minimum and maximum average approved rate increases in a submission are 2% and 370%, respectively.

FIGURE 6 AVERAGE APPROVED INCREASE



The 2021 Survey had an average nationwide approval of 29%, which is consistent with the average of 28% in the current survey. This is not unexpected as the average request is also similar (2021 Survey 47% vs. current survey 56%), as shown in Section 3.5.1 below.

Figure 40 provides additional detail on approved submissions by jurisdiction, including the minimum, maximum, and average approved rate increase where an approval was received.

Figure 7 provides the average nationwide rate increase request versus the average rate increase approved where a disposition has been received for each filing. The average rate increase request and average rate increase approved were calculated by premium-weighting across the jurisdictions where a disposition was received (including 0% for disapprovals in the average). Note that jurisdictions may offer to approve a rate increase greater than the request in exchange for a rate guarantee or phase-in.

FIGURE 7: AVERAGE RATE INCREASE APPROVED BY AVERAGE REQUESTED INCREASE

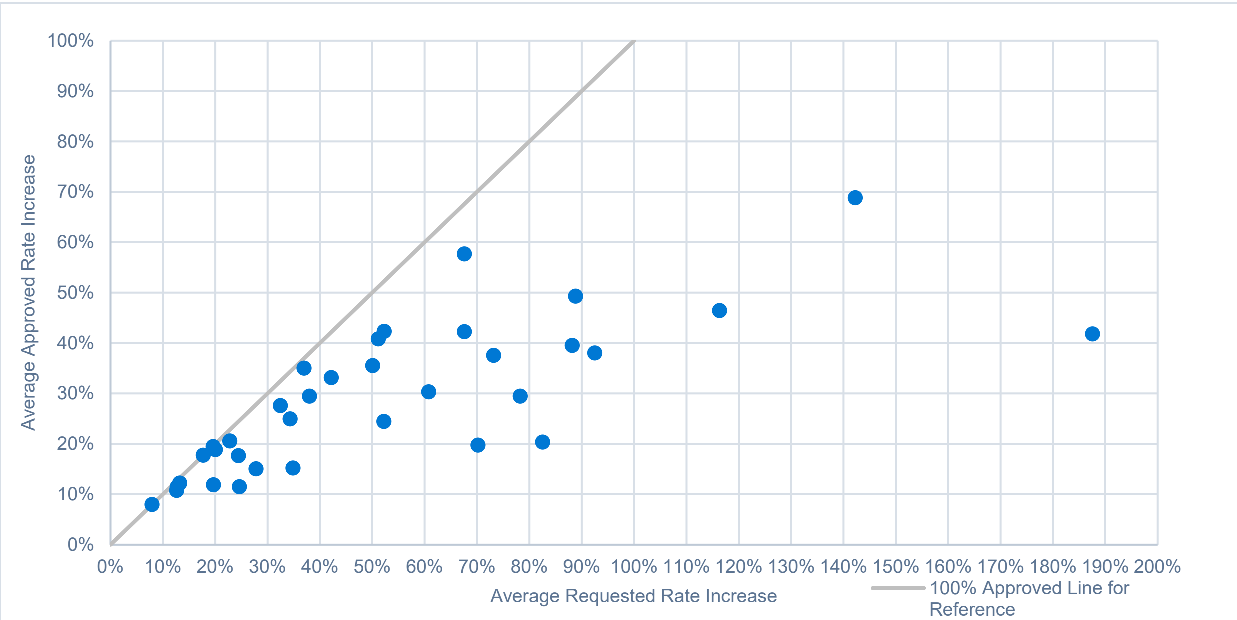


Figure 8 provides the jurisdictions with the highest ratio of average approved rate increase to average requested increase where a disposition has been received. Additional detail for all jurisdictions can be found in Figure 40. Values provided in Figure 8 and Figure 40 differ from those in Figure 39 as all pending filings are removed from the results in Figure 8 and Figure 40. In some jurisdictions (e.g., Missouri), the approved rate increases may have exceeded the request due to negotiations with the department (e.g., modified request so future increases are only based on additional deterioration, actuarial equivalence for a phased-in increase). In Puerto Rico, no approval exceeded 40% and only three dispositions were reported. In Alaska, the department does not review LTC rate increase filings so the treatment of filings in Alaska varies by company.

FIGURE 8: JURISDICTIONS WITH HIGHEST APPROVAL RATIO

JURISDICTION	RATIO OF AVERAGE APPROVED TO REQUESTED INCREASE	PERCENTAGE OF DISPOSITIONS WITH FULL APPROVALS
Puerto Rico	1.00	100%
Missouri	0.99	80%
Wisconsin	0.99	94%
Alaska	0.98	81%
Wyoming	0.98	83%
South Dakota	0.95	88%
Illinois	0.93	86%
Nebraska	0.92	79%
Michigan	0.91	69%
Tennessee	0.89	75%

Figure 9 provides the top 10 jurisdictions with the highest rate increases approved for a submission. Additional detail for all jurisdictions can be found in Figure 40. The values in Figure 9 and Figure 40 reflect the average rate increase approved for a given submission, not the maximum approved amount for varied rate increases.

FIGURE 9: JURISDICTIONS WITH HIGHEST APPROVALS

JURISDICTION	RATE INCREASE APPROVED
New Hampshire	370%
Nevada	201%
California	163%
Tennessee	135%
Nebraska	132%
Rhode Island	130%
Pennsylvania	129%
Iowa	129%
Minnesota	124%
Wisconsin	116%

Figure 10 provides jurisdictions with consistent approval limits. Rate increase approvals in these jurisdictions may exceed the consistent limit due to reasons unique to each company (e.g., offering unique reduced benefit options, historical relationship with departments). In some cases, the authors applied judgment based on experience with various jurisdictions when interpreting responses to develop this list.

Since the 2021 Survey, there has been a change in the states and consistent approval limits. Some jurisdictions (e.g., Minnesota) have been willing to approve a slightly higher annual increase while others (e.g., Nebraska) have started to impose annual limits. Additionally, some jurisdictions have started to impose cumulative rate increase limits (i.e., will limit rate increases so that the cumulative increase from original rates does not exceed a specified amount) or request that certain policies be excluded from receiving a rate increase.

FIGURE 10: JURISDICTIONS WITH CONSISTENT APPROVAL LIMIT

JURISDICTION	CONSISTENT APPROVAL LIMIT
Connecticut*	50%
Nebraska**	50% annual cap
Massachusetts*	40%
New Jersey*	33%
Iowa*	30%
Kentucky**	30% annual cap
Pennsylvania**	30% annual cap
Washington	30%
Arkansas	25%
Indiana	25%
Louisiana	25%
Missouri**	25% annual cap
Mississippi†	25%
North Carolina,†**	25% annual cap
Texas**	25% annual cap
Minnesota**	20% annual cap
New Hampshire,†**	20% annual cap
South Carolina	20%
Alabama‡	15%
Georgia	15%
Maryland,†**	15% annual cap
Ohio‡	15%
Oklahoma**	15% annual cap
District of Columbia†	10%

* Jurisdiction requires that increases be phased in if over a certain threshold. Additional detail regarding phased-in increases is provided in Section 2.1.2 below.

** Increases exceeding the annual cap may be approved, but the increase will be required to be phased in at no more than the specified cap each year.

† Based on regulatory rate increase limit.

‡ Department offers an expedited review option when rate increases are limited to indicated amount.

It should be noted that the approval limits provided above are subject to ongoing changes in the review process for each jurisdiction, which makes it difficult to predict the outcome of a rate increase request. For example, we have observed recent differences in these restrictions in Connecticut, Louisiana, Massachusetts, and Missouri that may not be fully reflected in Figure 10 due to reporting lag.

2.1.2: Phased-in rate increases

While some jurisdictions will not preapprove a rate increase that will be implemented more than 12 months from the approval date, other jurisdictions prefer to phase in large increases over several years. Figure 11 provides the jurisdictions in which the department most frequently preapproved a phased-in increase, such that each phase did not need to be filed for approval, including the number of years over which the rate increase is phased in. More details regarding multiyear requests are provided in Section 3.5.2 below. Since the 2021 Survey, we have seen more jurisdictions willing to preapprove phased-in rate increases.

FIGURE 11: JURISDICTIONS WITH MAJORITY OF RATE INCREASES PHASED IN

JURISDICTION	PERCENTAGE OF APPROVALS WITH PHASED-IN RATE INCREASES	NUMBER OF YEARS OVER WHICH THE RATE INCREASE IS PHASED IN
Maryland	85%	2 - 5
Hawaii	80%	2 - 4
Colorado	77%	3
Minnesota	74%	2 - 6
Massachusetts	73%	2 - 4
New Jersey	71%	2 - 5
Idaho	69%	2 - 5
Florida	67%	3
Rhode Island	67%	2 - 4
Iowa	66%	2 - 4

2.1.3: Rate guarantees

Figure 12 provides the jurisdictions in which the department most frequently required a rate guarantee as part of the approval of the requested rate increase and the number of years the rates are guaranteed.

FIGURE 12: JURISDICTIONS WITH RATE GUARANTEES

JURISDICTION	NUMBER OF YEARS WITH GUARANTEED RATES
Florida	5 - 10
New Mexico	1 - 5
Idaho	3
Hawaii	Unknown
Illinois	3 - 4
West Virginia	2 - 4

2.1.4: Rate exclusions

In addition to phase-ins and rate guarantees, some jurisdictions have required that certain policies be excluded from rate increase approvals. Of the 37 filings represented in this survey, companies indicated at least one jurisdiction required policies be excluded for 13 filings. The most common exclusions noted were based on issue age or attained age, policy form, and/or benefit levels (benefit periods and/or inflation protection).

2.1.5: Disapprovals

Figure 13 provides the top jurisdictions with the highest occurrence of disapprovals for submissions that have received a disposition. Values provided in Figure 13 differ from those in Figure 39 as all pending filings are removed from the results in Figure 13.

FIGURE 13: JURISDICTIONS WITH THE HIGHEST OCCURRENCE OF DISAPPROVALS

JURISDICTION	PERCENTAGE OF DISAPPROVED DISPOSITIONS	AVERAGE RATE INCREASE REQUEST FOR DISAPPROVALS	MINIMUM REQUEST DISAPPROVED	MAXIMUM REQUEST DISAPPROVED
North Dakota	25%	146%	19%	415%
Utah	18%	35%	8%	47%
Hawaii	17%	123%	123%	123%
Texas	12%	94%	36%	153%
Maine	11%	111%	102%	120%

2.2: DEPARTMENT MEETINGS

Of the 37 filings represented in this survey, companies met with departments in at least one jurisdiction for 15 filings. Company representatives for three of these filings visited over half of the departments in which a rate increase was submitted. Meetings with departments may occur in person, but more likely occur over the phone or through videoconferencing. Most meetings included a combination of actuarial, managerial, and government relations representatives from the company. Department meetings can be beneficial as they may result in higher approved increases or shorter times to approval. There may be other benefits to an in-person meeting, but we did not request respondents to clarify the benefits. Figure 14 lists the 10 jurisdictions where meetings were most frequently conducted. Perhaps not surprisingly, there is considerable overlap in Figure 14 with the listing of "difficult" jurisdictions in Figure 3 above, with eight jurisdictions in both listings.

FIGURE 14: TOP JURISDICTIONS WITH DEPARTMENT MEETINGS

California	New Jersey
Colorado	New York
Connecticut	Ohio
Florida	Texas
Massachusetts	Virginia

The timing of the department meetings is summarized in Figure 15.

FIGURE 15: TIMING OF DEPARTMENT MEETINGS

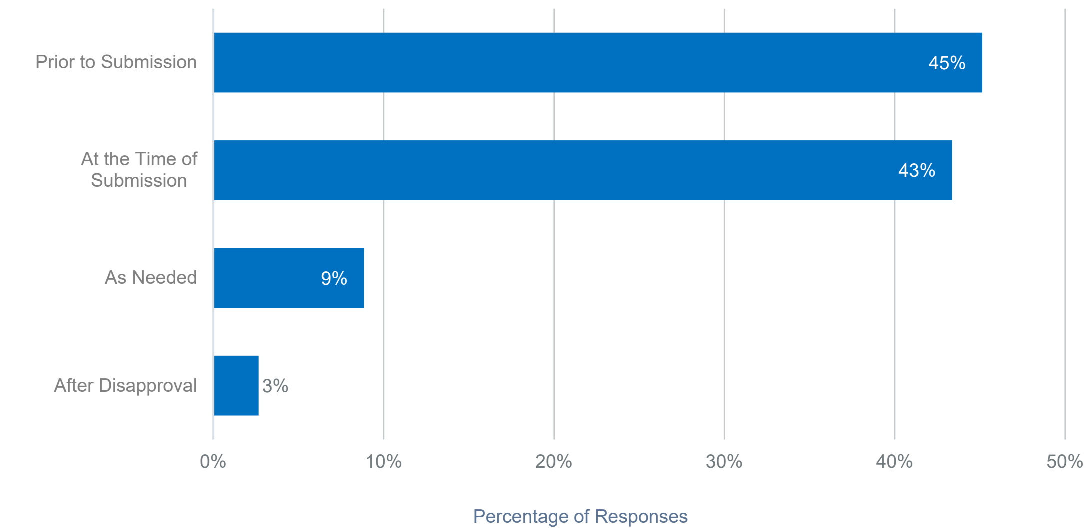
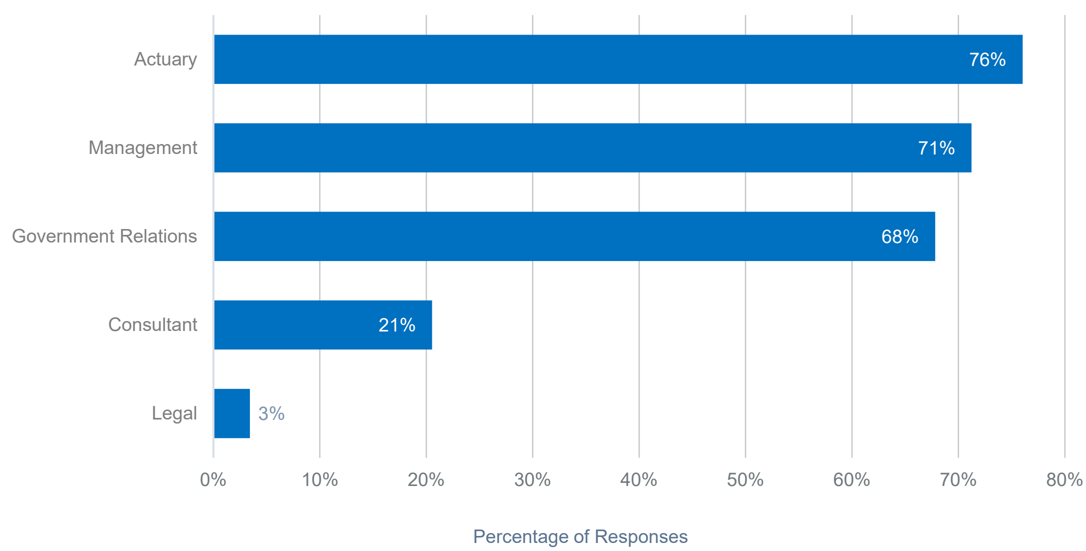


Figure 16 provides information about who attends the meetings with departments.

FIGURE 16: COMPANY ATTENDEES OF DEPARTMENT MEETINGS



Note: Responses total to more than 100% as more than one type of attendee may apply.

2.3: RATE STABILITY APPROVALS

For the 30 filings with at least one submission subject to rate stability regulation, nine had over 90% of their respective submissions subject to rate stability regulation. Only seven respondents indicated that the requested rate increase varied for policies subject to rate stability regulation compared to loss ratio regulation, and six of the respondents made an effort to separate the business subject to loss ratio regulations compared to rate stability regulations by bifurcating the filing. Given that most submissions reflected in this survey did not differentiate between policies subject to loss ratio or rate stability regulation, we have not quantified the difference in their respective rate increase approvals. Based on our experience, most jurisdictions do not require a company to certify to rate stability.

2.4: POLICYHOLDER OPTIONS

The most common options available to insureds to reduce benefits to offset a rate increase are provided in Figure 17.

FIGURE 17: AVAILABILITY OF REDUCED BENEFIT OPTIONS

OPTION	PERCENTAGE OF RESPONSES
Reduced daily benefit	100%
Reduced benefit period	92%
Increased elimination period	89%
Dropping inflation protection	82%
Reducing inflation protection to another existing inflation protection option	71%
Cash buyouts*	26%
Coinsurance**	21%
Landing spots†	16%

Note: Responses total to more than 100% as more than one option may apply.

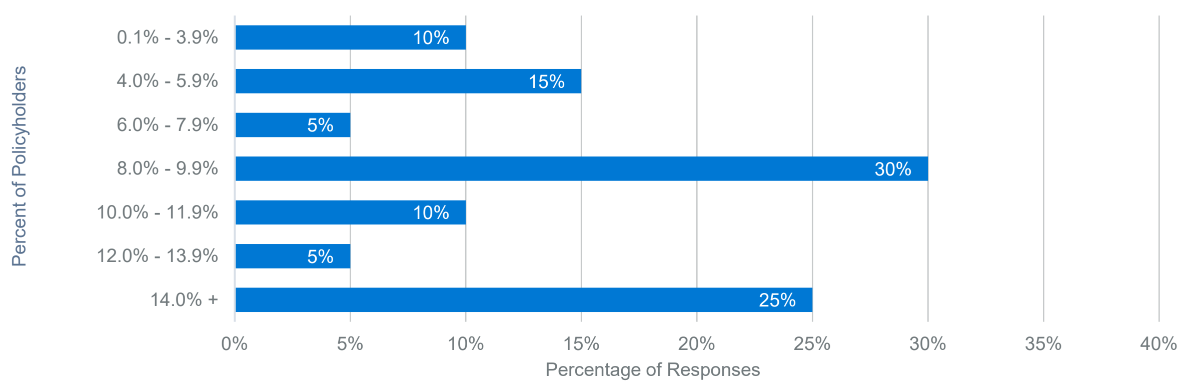
* Cash buyouts allow a policyholder to receive a cash payment when forfeiting their policy.

** Coinsurance allows a policyholder to reduce the portion of LTC expenses paid for by their policy.

† Landing spots allow a policyholder to reduce benefits to a level that was not originally offered to offset the rate increase partially or fully.

Figure 18 provides the percentage of policyholders subject to a rate increase who chose to reduce benefits to offset a portion of their rate increase. The average benefit reduction election rate in this survey is 11.9%, which is slightly higher than the average 10.6% election rate in the 2021 Survey.

FIGURE 18: BENEFIT REDUCTION ELECTIONS



2.4.1: Reducing inflation protection

When a policyholder drops or reduces inflation protection to another existing inflation protection option (e.g., compound down to simple inflation or reduction of inflation percentage), companies handle the continuing or inflating daily benefit level differently. When policyholders retain inflated benefits, some companies require policyholders to pay premiums reflecting the no-inflation rate for the current (inflated) daily benefit while others allow policyholders to pay the no-inflation rate for the original daily benefit. Administration of changes in inflation protection is a topic of discussion between companies and regulators.

2.4.2: Cash buyouts

An emerging option companies may offer to policyholders is a cash buyout, where a policyholder is compensated for lapsing their policy with a cash payment. Cash buyouts have been discussed at length over the past couple of years and several questions regarding them still exist, most notably how they should be valued.[2] Approximately 30% of companies surveyed offered a cash buyout as part of a rate increase request. However, in these filings, the cash buyouts were only offered in certain jurisdictions.

2.4.3: Coinsurance

Some companies have offered policyholders a coinsurance arrangement to offset the rate increase. There can be various types of coinsurance structures, but these types of arrangements have the potential to significantly offset the increase.[3]

2.4.4: Landing spots

Landing spots allow a policyholder to reduce benefits to a level that is not already offered to offset the rate increase partially or fully. They have been discussed for nearly a decade.[4] As seen in Figure 17 above, 16% of companies surveyed offered landing spots, compared to less than 10% in the 2021 Survey.

2.4.5: Contingent benefit upon lapse

CBUL was voluntarily offered to all insureds in 63% of the filings, which is down from the 2021 Survey, where 83% of the respondents offered CBUL to all insureds. Figure 19 provides the strategy for determining where CBUL is offered.

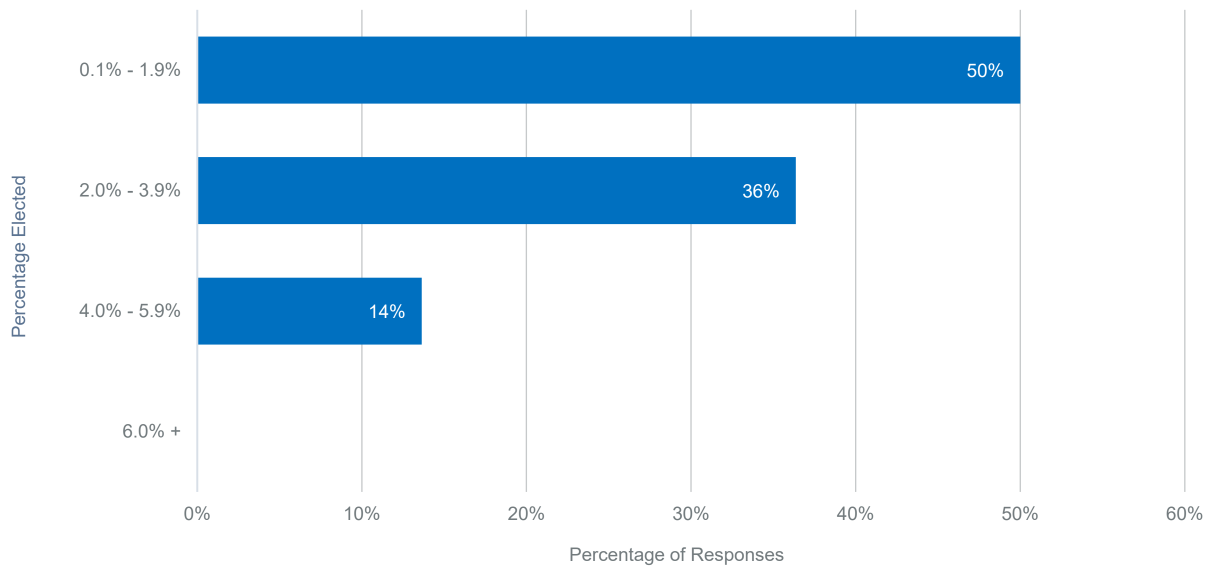
FIGURE 19: STRATEGY FOR OFFERRING CBUL

STRATEGY	PERCENTAGE OF RESPONSES
All insureds regardless of issue date or issue age voluntarily	63%
Only where required by regulation or requested by regulator as a condition for approval	21%
Where required plus additional insureds regardless of issue date voluntarily	11%
Where required plus insureds that have been in force for at least 20 years at the time of the rate increase	5%

Figure 20 provides the percentage of policyholders impacted by a rate increase who chose to elect CBUL rather than continue their current coverage. The average CBUL election rate in this survey is 2.0%, which is smaller than the average 3.8% election rate in the 2021 Survey.

[2] Anderson & Bergerson (February 2020). Advantages, Disadvantages, and Considerations for LTC Policy Buyouts. *SOA's Long-Term Care Section Newsletter*, pp. 6-10.
[3] Neary & Williamson (June 2022). Coinsurance for Long-term Care: Another Viable Benefit Reduction Option for Rate Increases? *SOA's Long-Term Care Section Newsletter.*
[4] Bergerson & Hebig (December 2015). Landing Spots: Offsetting Premium Increases Through Changes to Inflation Protection. *SOA's Long-Term Care Section Newsletter*, pp. 5-8.

FIGURE 20: INSUREDS WHO ELECTED CBUL



2.5: POLICYHOLDER NOTIFICATION

The policyholder notification period requirements vary by jurisdiction; however, a company may choose to implement an increase later than required by the minimum notification period. Most commonly, companies use a notification period ranging from 60 days to 90 days unless a longer timeframe is required by a jurisdiction. However, the timeframe varies from 30 to 120 days for the companies included in this survey. For increases that are phased in, approximately 80% of companies send a letter prior to each implementation phase, with the remaining 20% sending a single letter describing the entire series.

Rate increases are implemented on a policyholder’s next policy anniversary for 37% of the filings, while 45% are implemented on a policyholder’s next premium due date, with the remaining 18% implemented using another process.

In an increasing number of jurisdictions, departments are requiring a policyholder notification letter be submitted. As a result, some companies have started to submit their policyholder notification letters proactively in all jurisdictions as part of the filing process. Additionally, Massachusetts, Nebraska, Puerto Rico, Texas, and Virginia were identified most often as requiring significant effort to achieve approval of the letter.

Section 3: Approach to filing a rate increase

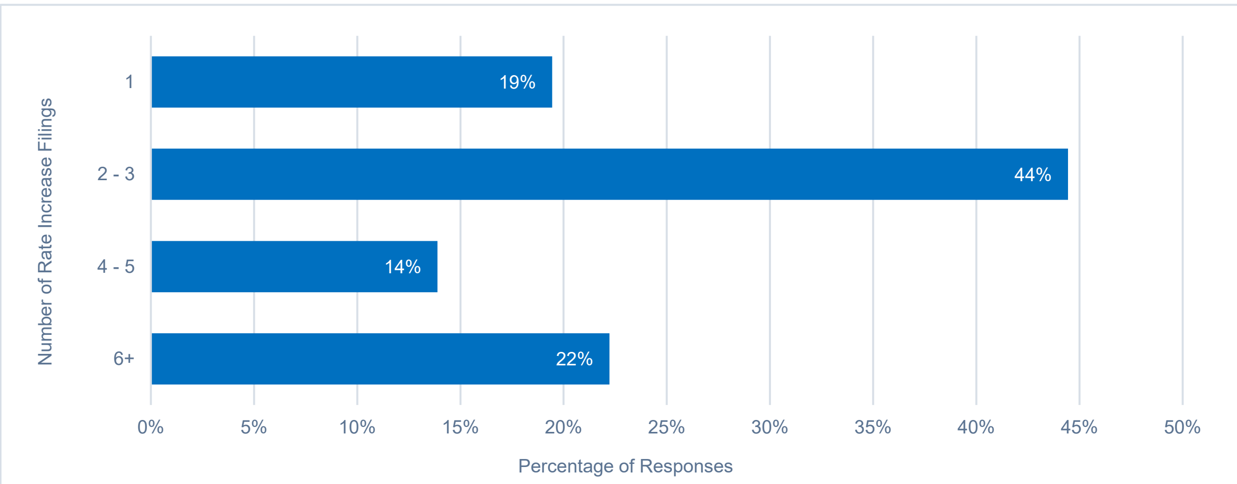
Obtaining LTC rate increases is challenging, and the approach can vary among companies and even across products within a company, as there is not a one-size-fits-all solution. This section provides a summary of how companies manage rate increases for their LTC blocks of business, including how the rate increase is determined. Additionally, a summary of the rate increase requested is included and whether they are uniform or vary.

Companies were asked to complete the survey based on recent rate increase requests where at least 50% of the jurisdictions had decided on the request. Some companies provided responses for multiple filings. The 16 companies that provided detail for a rate increase provided responses for 37 nationwide rate increase filings on various blocks of business. Most of the submissions reflected in this survey were submitted between 2021 and 2024.

3.1: RATE INCREASE FILING HISTORY

Figure 21 provides the number of prior rate increase filings for the respondents represented in this survey, including the most recent filing.

FIGURE 21: NUMBER OF RATE INCREASE FILINGS



About 60% of the companies responded that they pursue rate actions either annually or continuously, while the remaining respondents indicated that they pursue rate actions less frequently.

3.2: MITIGATING THE NEED FOR A RATE INCREASE REQUEST

Companies were asked if they take any measures to specifically mitigate the need for rate increases (e.g., wellness initiatives). A little under half of the participants indicated they use wellness initiatives. Two participants indicated that they are not taking measures currently but are exploring wellness programs. No other measures or programs were reported.

3.3: APPROACH TO DETERMINING A RATE INCREASE REQUEST

Many factors can be considered when determining what increase to request for a nationwide rate filing. Figure 22 provides some of the common factors used by the participating companies.

FIGURE 22: FACTORS CONSIDERED WHEN DETERMINING RATE INCREASE STRATEGY

FACTOR	PERCENTAGE OF RESPONSES
Actual-to-expected lifetime loss ratio	58%
The requested rate increase is calculated by targeting a lifetime loss ratio where only future premiums are increased	50%
Prospective Present Value (aka Texas Method) analysis	45%
Actual-to-expected future loss ratio	39%
Management strategy (e.g., request small rate increases)	39%
If-Knew/Blended Make-Up	34%
Profit measure	16%
The requested rate increase is calculated by targeting a lifetime loss ratio assuming all premiums since inception are increased (i.e., "If-Knew" premium analysis)	13%

Note: Responses total to more than 100% as more than one factor may apply.

Compared to the 2021 Survey, more companies are using the Prospective Present Value analysis, which could be driven by the adoption of the LTCi MSA Framework. The percentage of responses for the Prospective Present Value analysis increased from 29% in the 2021 Survey to 45% in this survey.

3.3.1: Actuarial justification

Figure 23 provides the common factors that are driving the need for a rate increase. Common responses included as "Other" were increased cost of care and higher utilization rates.

FIGURE 23: FACTORS COMPRISING THE ACTUARIAL JUSTIFICATION

FACTOR	PERCENTAGE OF RESPONSES
Higher than anticipated incidence	89%
Longer than anticipated claim continuance	79%
Lower than anticipated voluntary lapse rates	76%
Improved active life mortality	71%
Other	47%
Change in investment rate	37%
Adverse mix of sales	21%

Note: Responses total to more than 100% as more than one factor may apply.

3.3.2: Recouping past losses

Companies were asked how they generally indicate that a rate increase is not recouping past losses. There is no consensus on how to determine whether a rate increase recoups past losses, but the most common method used by companies is based on the lifetime loss ratio, similar to the 2021 Survey. The Prospective Present Value analysis was the second-most common method. Two companies indicated they cap historical incurred claims at the expected level.

3.3.3: Non-actuarial considerations

Approximately 15% of companies indicated they considered the age of the block when determining the strategy for the requested increase. Of those that considered the age of the block, 67% stated they considered the amount of premium remaining in the future, 50% indicated they considered the average attained age, and 33% said they excluded older-aged insureds from the increase (responses total more than 100% as more than one factor may apply).

3.3.4: Experience pooling

About 60% of the filings included pooled experience of multiple policy forms. Figure 24 provides the reasons or criteria companies considered when pooling policy forms within a filing. If policy forms are pooled, the rate increase justification is based on the pooled experience, but the rate increase request may vary by policy form. Responses included as “Other” generally reflected pooling only when jurisdictions required it.

FIGURE 24: REASONS FOR POOLING POLICY FORMS

CRITERIA	PERCENTAGE OF RESPONSES
Similar benefits	74%
Consistency with how the block is managed	65%
Similar original pricing assumptions	61%
Maintain original pricing relationships	61%
Similar issue year era	48%
Other	48%
Increase credibility	39%

Note: Responses total to more than 100% as more than one reason may apply.

Based on our experience, certain departments may question or will not allow pooling of certain forms. Common reasons for department concern are pooling different benefits (e.g., will not allow pooling of comprehensive polices with home care policies), pooling with policy forms not issued within the jurisdiction, or significant difference in issue year era.

3.4: INTERNAL AND EXTERNAL RESOURCES

Rate increase filings can require a wide range of resources. Based on the availability of resources and the use of outside parties, filings can take anywhere from several months to a year or more to complete.

3.4.1: Coordination with outside party

Oftentimes, a rate increase strategy involves coordination with a consultant, administrator, and/or reinsurer. This was the case for approximately one-third of the responding companies, which is lower than in the 2021 Survey, where half of respondents coordinated with an outside party. Where there was coordination with an outside party, companies were the ones noted as “driving” the rate increase (i.e., the one pushing for the rate increase to be filed) and determining the rate increase strategy most often. Figure 25 provides a comparison of who is driving the rate increase and who sets the rate increase strategy when coordinating with an outside party.

FIGURE 25: RATE INCREASE STRATEGY COORDINATION WITH OUTSIDE PARTY

	PERCENTAGE OF RESPONSES	
PARTY	**DRIVING RATE INCREASE**	**SETTING RATE INCREASE STRATEGY**
Company	82%	91%
Reinsurer	18%	9%
Administrator	9%	9%
Consultant	Not Applicable	27%

Note: Responses total to more than 100% as more than one strategy may apply.

Figure 26 shows the distribution of those involved in preparing and/or submitting the rate increase submissions.

FIGURE 26: PARTY RESPONSIBLE FOR PREPARING AND/OR SUBMITTING RATE INCREASE FILINGS

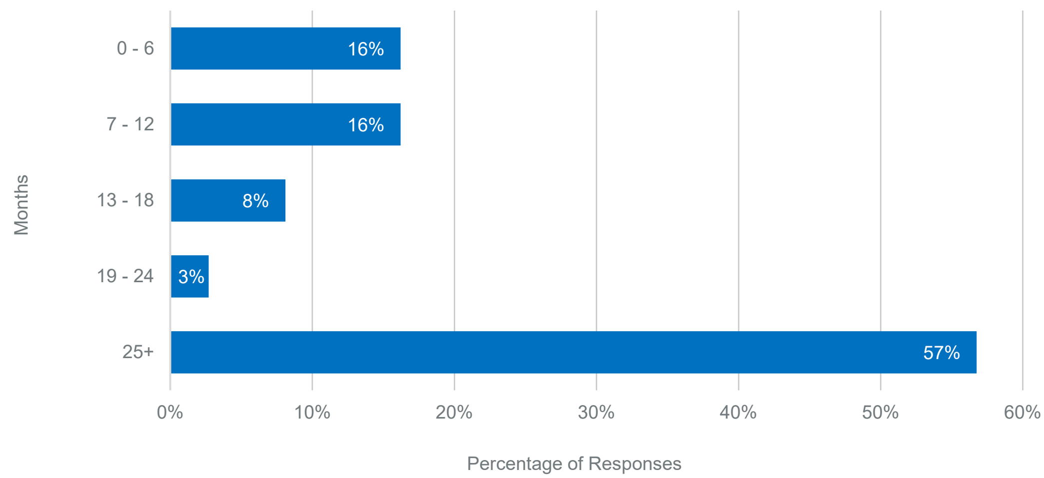
PARTY	PERCENTAGE OF RESPONSES
Company	76%
Consultant	37%
Administrator	3%

Note: Responses total to more than 100% as more than one party may apply.

3.4.2: Filing timing

The timeframe to get initial filings submitted can vary for a number of reasons, including the number of jurisdictions being filed, available resources, and prior agreements with departments. A summary of the responses is provided in Figure 27. Similar to the 2021 Survey, a large portion of initial filings are taking longer than two years to get submitted, which could be driven by the fact that prior rate increase filings have caused implementation schedule differences based on prior approval timing or agreements with departments.

FIGURE 27: NUMBER OF MONTHS TO GET INITIAL FILINGS SUBMITTED



3.5: RATE INCREASE STRATEGY

Rate increase filings are requested for a variety of reasons. As a result, the size and structure also vary by filing.

3.5.1: Rate increase request

Figure 28 summarizes the nationwide average cumulative rate increase request across the filings. The average nationwide cumulative rate increase request provided in Figure 28 was calculated by premium-weighting across the jurisdictions where a request was filed based on the previously approved increases and the current request in each jurisdiction. The minimum average cumulative rate increase request provided in the survey was 15% and the maximum was in excess of 800%.

FIGURE 28: NATIONWIDE AVERAGE CUMULATIVE RATE INCREASE REQUEST

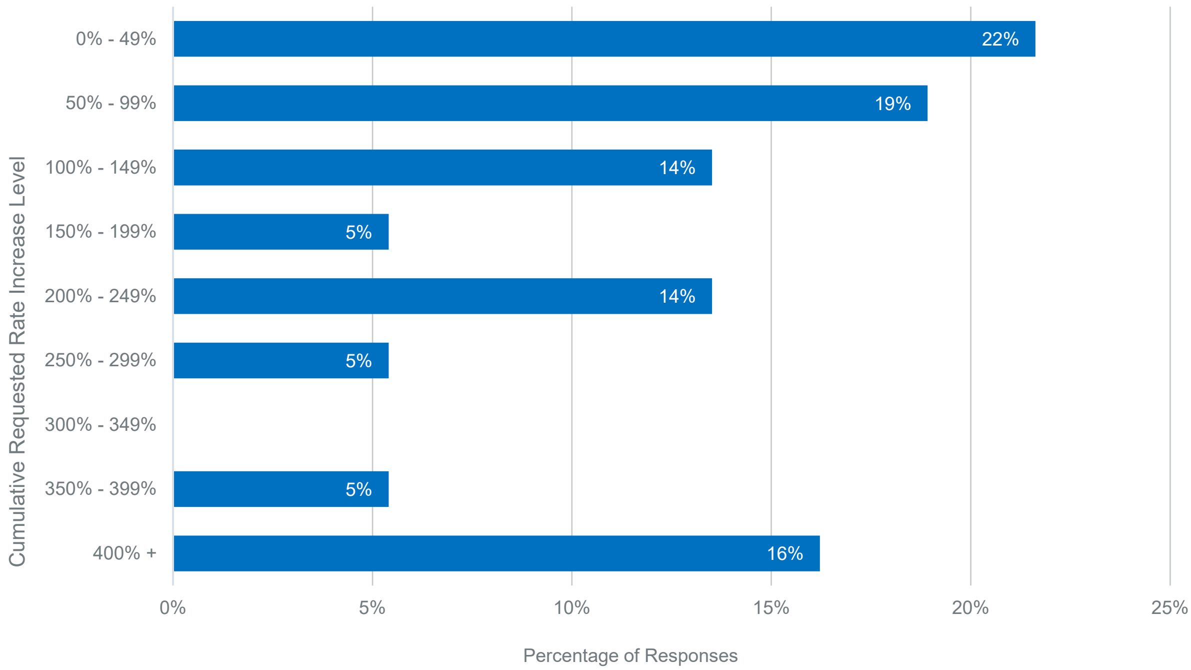
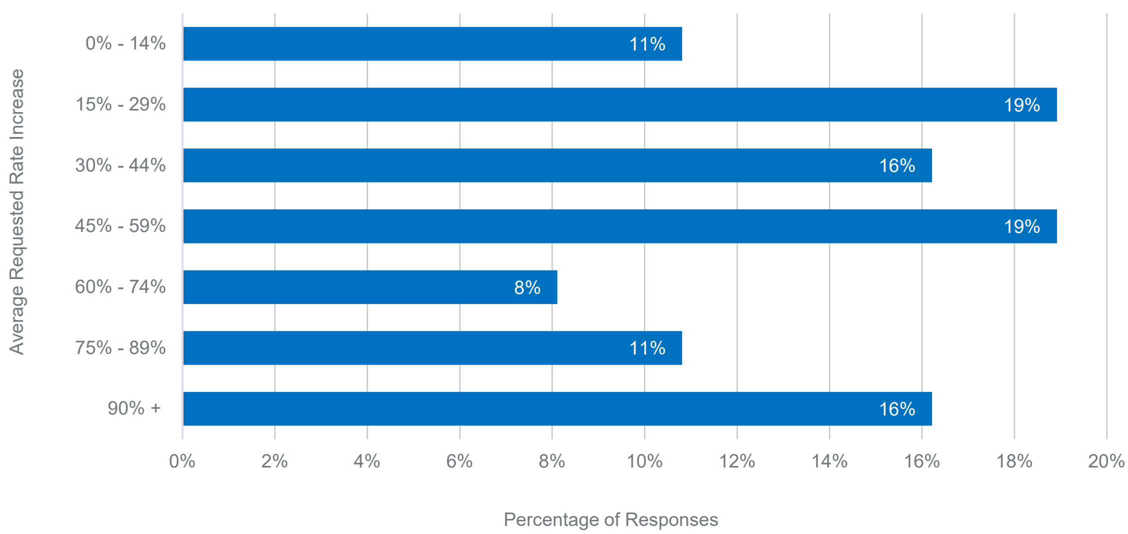


Figure 29 summarizes the average rate increase request calculated by premium-weighting across the jurisdictions where a request was filed. The minimum average rate increase request provided in the survey was 13% and the maximum was 192%.

FIGURE 29: AVERAGE NATIONWIDE RATE INCREASE REQUEST FOR MOST RECENT FILING

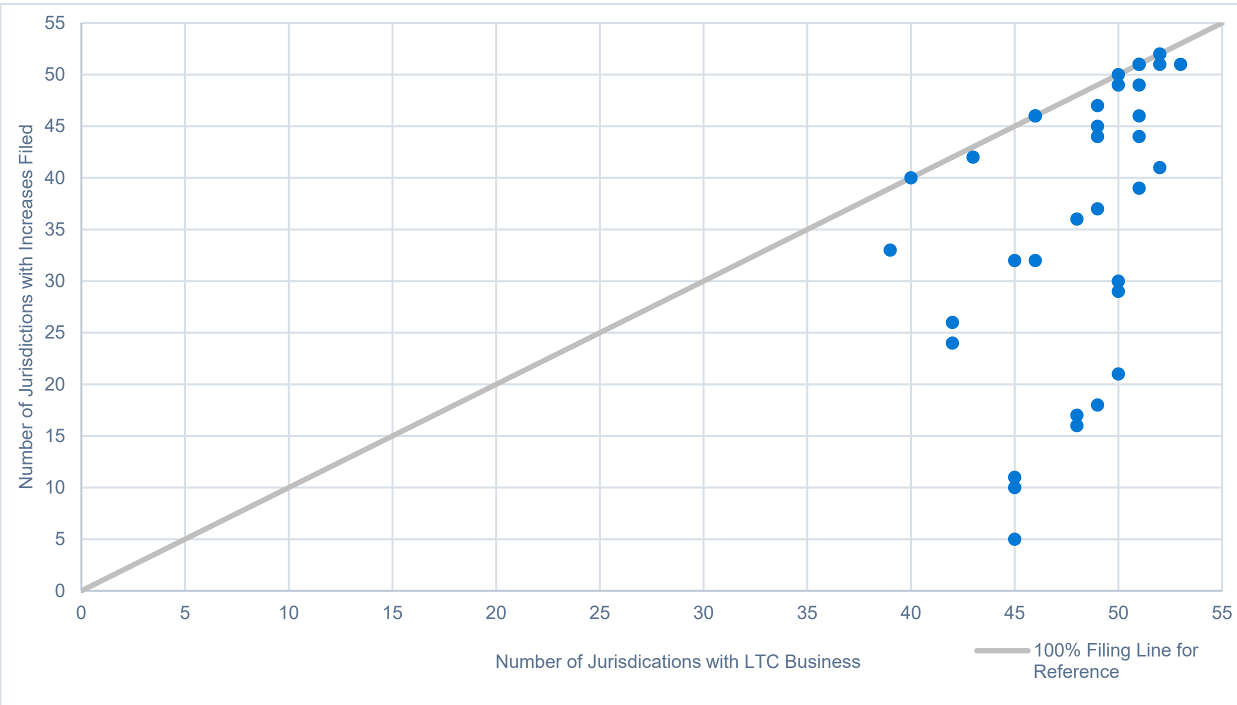


The overall average nationwide request was 56%, which is slightly higher than the average 47% in the 2021 Survey. The maximum increase requested in a jurisdiction was 581%, which is notably higher than the maximum 362% in the 2021 Survey.

About 80% of filings requested the rate increase amount the company determined as needed. For companies that requested the needed amount, common methods for determining the increase were the Prospective Present Value analysis and targeting a lifetime loss ratio.

Figure 30 provides the number of jurisdictions in which the respondents have LTC business and how many jurisdictions in which a rate increase is planned to be filed.

FIGURE 30: JURISDICTION DISTRIBUTION



Although achieving rate equity across jurisdictions may be desirable for companies, only one-third of the filings included submissions for all jurisdictions in which they had LTC business in force. For others, it is not always feasible to file in every jurisdiction. The reasons a company may not file in a particular jurisdiction are provided in Figure 31. The most common response included as “Other” was receiving sufficient increases from prior approvals.

FIGURE 31: REASONS TO NOT FILE IN A JURISDICTION

REASON	PERCENTAGE OF RESPONSES
Other	47%
Small amount of premium	21%
Agreement made in prior filing	18%
Difficulty in achieving approval	11%
Time to approval	2%
Difficulty in preparing filing	1%

3.5.2: Multiyear rate increase requests

For 41% of the filings, the initial requested rate increase was phased in over multiple years for at least one jurisdiction. This is lower than in the 2021 Survey, where nearly three-quarters of the filings requested a multiyear rate increase.

3.5.3: Actuarial equivalence

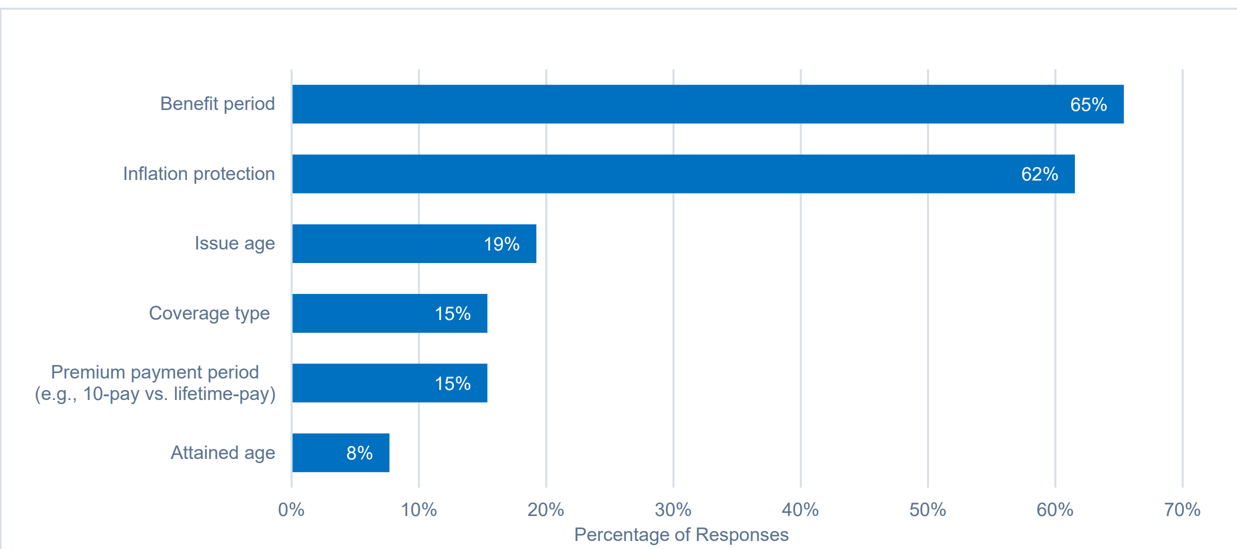
For jurisdictions that have previously denied a request, approved less than requested, and/or significantly delayed the review of the filing, about 60% of the filings pursued an actuarially equivalent follow-up request. Of the 60% of filings that pursued an actuarially equivalent follow-up, three-quarters determined equivalence by targeting a lifetime loss ratio.

3.5.4: Varied increases

The lifetime loss ratio for different rating cohorts (e.g., issue age, benefit periods, inflation protection options) depends, in part, on the reason for the rate increase. For example, deviations in persistency and interest can create more adverse projected experience for younger issue ages because of the longer projection period (i.e., the impact of persistency and interest discounting is key). On the other hand, projections for older issue ages are more sensitive to deviations in morbidity because the time until claim is shorter. While the impact of a rate increase can vary by issue age and/or benefits, companies are faced with additional considerations, such as credibility of the variations, administrative complexities, and definition of premium class to name a few. Some companies choose to vary the rate increase request to recognize differences in experience, while others request a uniform increase. In some cases, departments prefer the rate increase to vary. Three-quarters of the filings included in the survey were for a varied requested rate increase, which is higher than the approximately 56% in the 2021 Survey.

Figure 32 provides the most common parameters by which the requested increase varies within a filing for the 26 filings with a varied increase. For the 26 filings that requested a varied increase, about three-quarters varied the request by more than one parameter. Similar to the 2021 Survey, benefit period and inflation option were the two most common characteristics by which the rate increase requests varied.

FIGURE 32: VARIED RATE INCREASE REQUEST

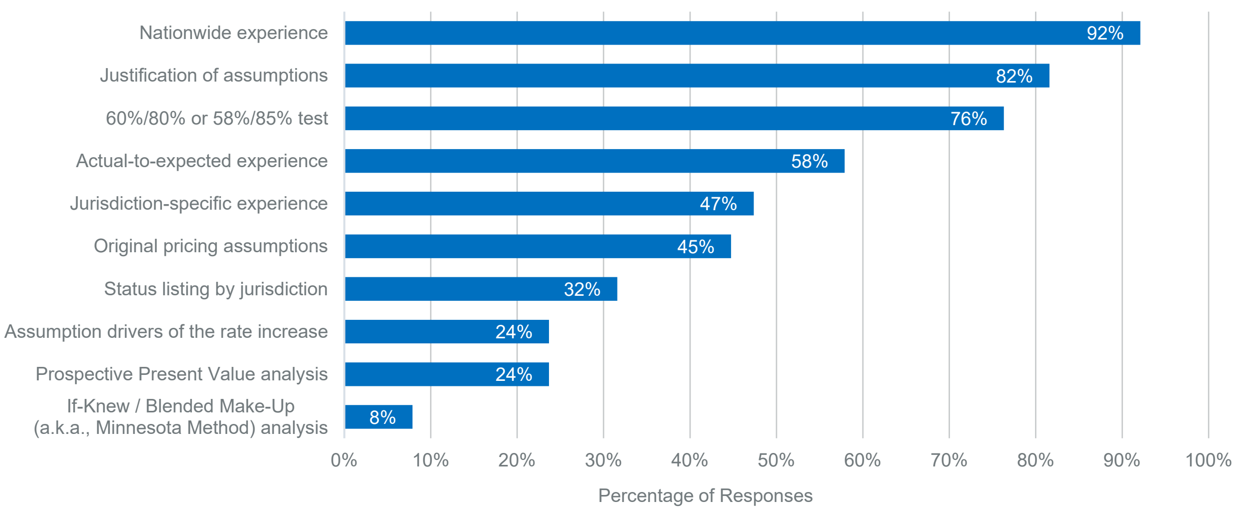


Note: Responses total to more than 100% as more than one variation may apply.

3.5.5: Filing exhibits

Figure 33 provides the exhibits that are included in a generic/standard filing. Additional exhibits included in the standard filing may head off objections from departments. However, including additional exhibits may increase the cost and time to file an increase. Of the 92% of filings that included nationwide experience as a standard filing exhibit, a little over half of filings restated experience to reflect the rate increase history for each jurisdiction.

FIGURE 33: STANDARD FILING EXHIBITS

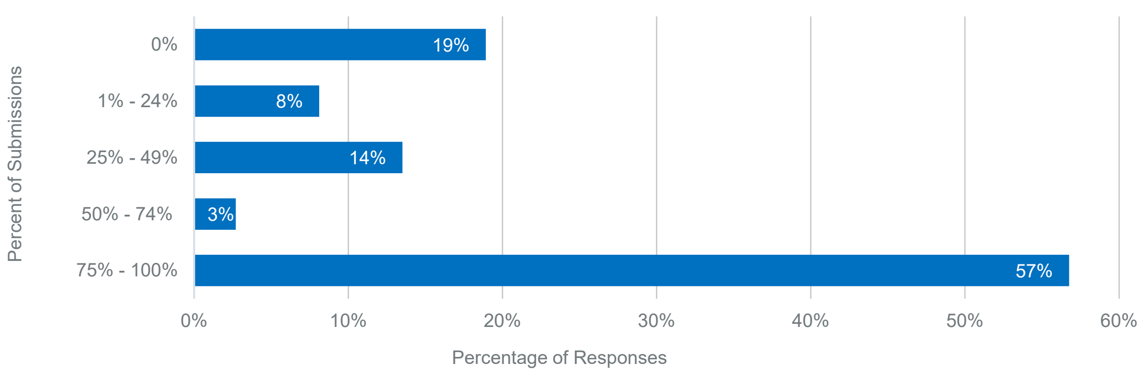


Note: Responses total to more than 100% as more than one exhibit may apply.

3.6: RATE STABILITY REQUESTS

Figure 34 provides the percentage of submissions in jurisdictions in which the filing is subject to rate stability regulation.

FIGURE 34: JURISDICTIONS WHERE FILING IS SUBJECT TO RATE STABILITY REGULATION



There are different approaches to rate filings where policies on a single policy form are subject to both loss ratio and rate stability regulation. A summary is provided in Figure 35, which represents the standard approach of the respondents. However, some filings may deviate from this approach and be bifurcated as required or requested by a jurisdiction.

FIGURE 35: RATE STABILITY FILING APPROACH

APPROACH	PERCENTAGE OF RESPONSES
File on all policies and comply with both loss ratio and rate stability regulation	61%
Treat all policies according to rate stability regulation	21%
Bifurcate loss ratio and rate stability experience and file separately	18%

For submissions subject to rate stability regulation, the respondents indicated that the requested increase certified to future rate stability for about half of the submissions.

Section 4: Assumptions and projections

This section describes the projection assumptions used in the rate increase filings and how they compare with those used in the companies' CFT. Additionally, a listing of the projection systems used in the rate increase filings is provided in this section. The survey did not request specific assumptions to comply with antitrust laws, but it included the approach to setting assumptions.

4.1: GENERAL

The assumptions for 68% of the filings in this survey are reviewed annually, and 24% are reviewed every two or three years. For 87% of the respondents, the assumptions have changed in the last three years.

The assumptions for about half of the rate increase filings are developed on a claim cost basis (i.e., all lives) and the other half are developed on a first principles basis (i.e., model separately active and disabled lives).

Commonly, assumptions for a rate filing are considered best-estimate (most likely) and do not include a provision for adverse deviation (PAD), as this is a consumer-friendly approach. Figure 36 provides a summary of the various assumptions that are considered most likely compared to those that include a PAD. Note that the PAD included in the assumptions is separate from the margin for moderately adverse experience (MAE) that is required for a rate stability filing.

FIGURE 36: SUMMARY OF ASSUMPTIONS

	PERCENTAGE OF RESPONSES	
FIRST PRINCIPLES-BASED ASSUMPTIONS	**MOST LIKELY**	**INCLUDE PAD**
Active Mortality	100%	0%
Disabled Mortality	100%	0%
Claim Incidence	61%	39%
Recovery Rates	100%	0%
Utilization	74%	26%
Lapse	100%	0%
Interest	100%	0%
CLAIM COST-BASED ASSUMPTIONS	**MOST LIKELY**	**INCLUDE PAD**
Total Mortality	100%	0%
Morbidity	100%	0%
Lapse	100%	0%
Interest	100%	0%

4.2: COVID-19

We asked companies how COVID-19 experience (i.e., experience from 2020 through 2022) was handled in the most recent assumption study. Two-thirds of filings excluded COVID-19 experience, while the remaining one-third of filings included COVID-19 experience in their assumption study. Additionally, about 20% of companies included adjustments to their best-estimate assumptions due to COVID-19. One company indicated that active and disabled mortality were increased to reflect increased deaths due to the pandemic.

4.3: IMPROVEMENT

Future mortality improvement was included in the projection assumptions for 47% of the filings. Future morbidity improvement was included in the projection assumptions for 24% of the filings. These percentages are similar to the 2021 Survey.

4.4: RATE FILING VS. CASH FLOW TESTING

Figures 37 and 38 provide whether the assumptions used in the rate filing are higher or lower than those used in the company's CFT for both first principles-based and claim cost-based assumptions, respectively. As seen in Figures 37 and 38, for the majority of assumptions about three-quarters of filings use the same assumptions in the rate filing as the company's CFT.

FIGURE 37: FIRST PRINCIPLES-BASED ASSUMPTIONS IN RATE FILING VS. CFT

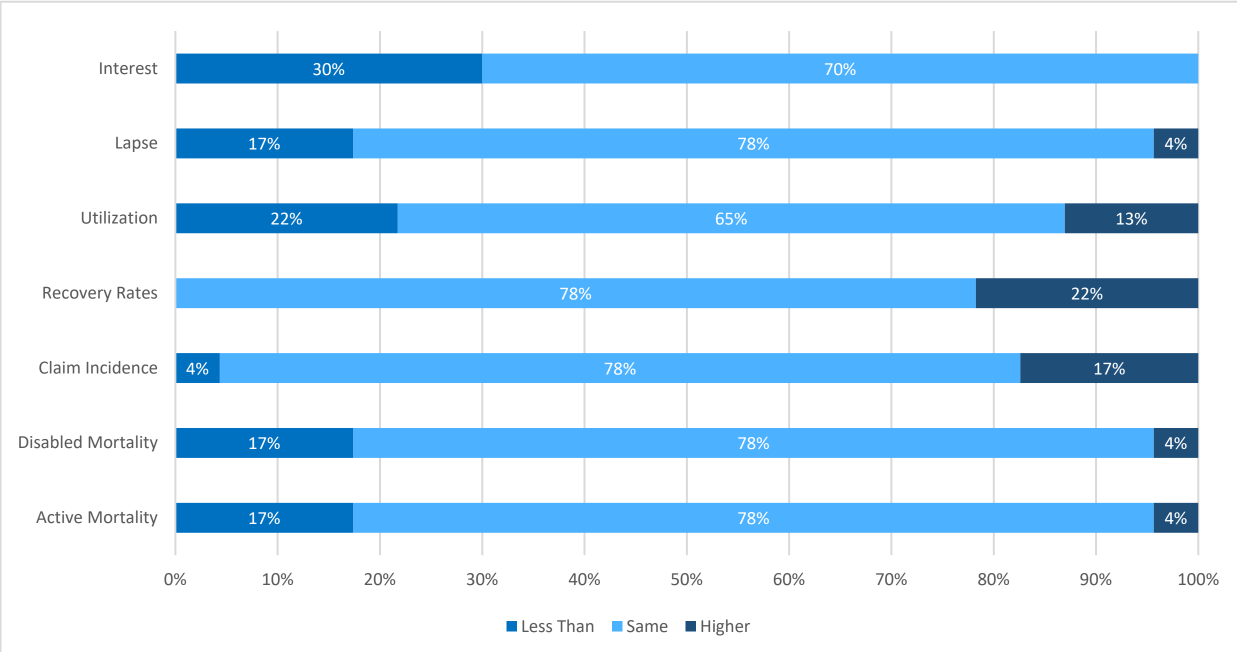
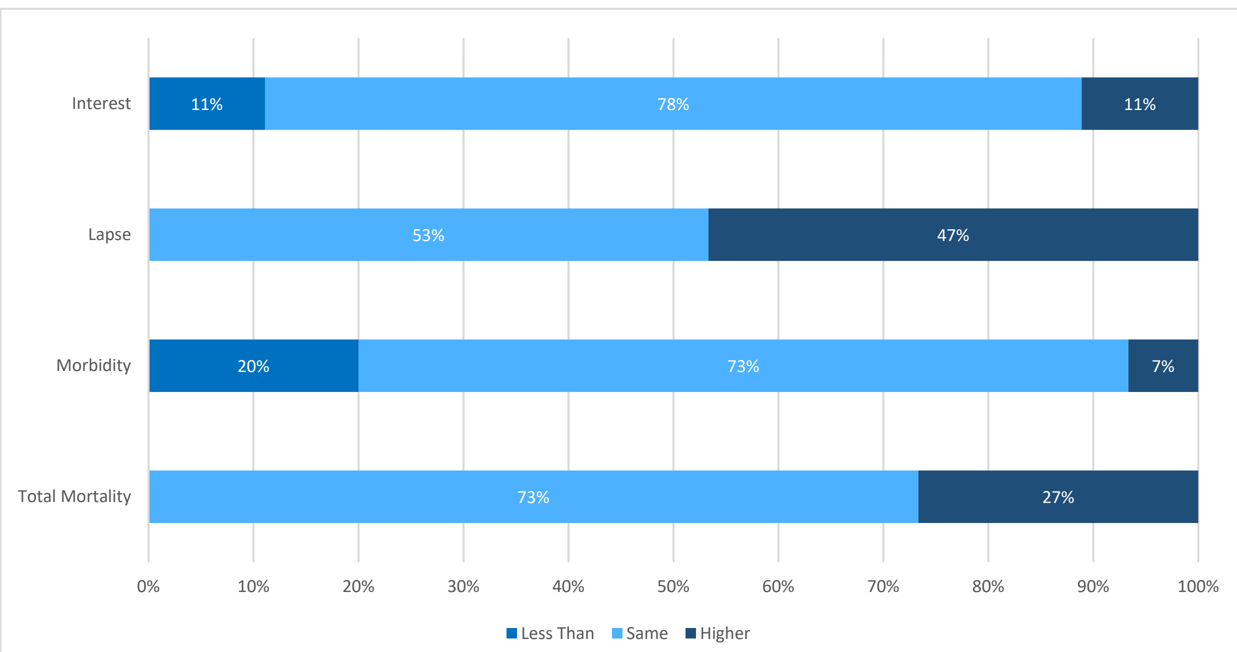


FIGURE 38: CLAIM COST-BASED ASSUMPTIONS IN RATE FILING VS. CFT



4.5: POLICYHOLDER BEHAVIOR

A shock lapse assumption is modeled by 68% of the respondents, which is similar to the 62% of respondents who modeled shock lapse in the 2021 Survey. The others ignore the impact of shock lapse on the projected experience. The shock lapse assumption represents the policyholders who are assumed to lapse their policies instead of accepting a rate increase. CBUL elections are modeled in a variety of ways and, in some cases, they are not modeled at all. For those that model CBUL elections, some are modeled as a lapse and included in the shock lapse assumption, while others reflect CBUL elections as a partial lapse with the remaining policyholders having reduced benefits.

Similarly, not all companies model RBO elections. The RBO assumption represents the policyholders who are assumed to choose to reduce benefits to offset all or some of the rate increase. Generally, those that model RBO elections do so as a partial lapse.

Similar to the 2021 Survey, about half of the filings did not include an adverse selection assumption. For those filings that reflect adverse selection, the amount of increase to incurred claims is proportionate to the level of rate increase. For those companies that model adverse selection, the length of time the impact of adverse selection is assumed to last differs. A permanent shift in morbidity due to adverse selection is the most common approach and was assumed by two-thirds of respondents that included adverse selection. The reasoning for a permanent shift is that the insureds remaining after the increase have a belief that they may be less healthy and more likely to need LTC services in the future compared to those who lapsed or reduced benefits. For those who lapse the policy, the assumption is that the insured is healthier and less likely to need the policy (as they do not value the policy enough to pay a higher premium). A shift in morbidity that wears off over time is assumed by the other one-third of respondents that include adverse selection. The reasoning for a temporary shift is that the insureds' ability to know their future health status decreases over time.

4.6: MODELING

There are a variety of options for projection systems to be used in producing rate filings. The following is a list, in order of the number of responses, of the projection systems used by the participating companies.

- Milliman Integrate (with MG-ALFA as the underlying calculation engine)
- GGY Axis (Moody's)
- Prophet
- Consultant Model
- Polysystems

No companies reported using stochastic modeling for their filings.

The incurral year claim definition (paid claims and claim reserve discounted to the year of incurral) is used by 89% of survey respondents, while the remaining 11% use a financial year definition (paid claims plus change in claim reserve). This is similar to the 2021 Survey, where 85% of survey respondents used the incurral year claim definition and 15% used the financial year definition.

Section 5: Appendices

FIGURE 39: DISTRIBUTIONS OF DISPOSITIONS BY JURISDICTION

					PERCENTAGE OF FILINGS			
JURISDICTION	**FILING COUNT**	**MINIMUM REQUEST**	**MAXIMUM REQUEST**	**AVERAGE REQUEST**	**APPROVED FULL REQUEST**	**APPROVED PARTIAL REQUEST**	**PENDING**	**DISAPPROVED**
Alabama	35	2%	96%	30%	49%	40%	11%	0%
Alaska*	17	5%	71%	26%	76%	18%	6%	0%
Arizona	27	4%	132%	50%	37%	19%	44%	0%
Arkansas	31	5%	223%	49%	32%	55%	3%	10%
California	14	5%	300%	74%	21%	29%	50%	0%
Colorado	20	5%	240%	73%	30%	35%	35%	0%
Connecticut	24	5%	226%	64%	33%	33%	33%	0%
Delaware	25	5%	125%	40%	52%	28%	20%	0%
District of Columbia	24	5%	273%	45%	67%	33%	0%	0%
Florida	9	8%	185%	57%	33%	33%	33%	0%
Georgia	34	2%	254%	62%	26%	71%	3%	0%
Hawaii	19	5%	232%	75%	16%	11%	68%	5%
Idaho	31	5%	278%	83%	19%	23%	58%	0%
Illinois	29	4%	140%	41%	66%	10%	24%	0%
Indiana	23	20%	462%	115%	9%	43%	48%	0%
Iowa	32	5%	179%	51%	38%	53%	9%	0%
Kansas	24	7%	149%	50%	33%	46%	21%	0%
Kentucky	31	7%	159%	51%	35%	52%	13%	0%
Louisiana	31	3%	227%	60%	23%	55%	23%	0%
Maine	23	12%	145%	54%	39%	30%	22%	9%
Maryland	24	12%	210%	75%	25%	29%	42%	4%
Massachusetts	28	5%	332%	81%	32%	46%	21%	0%
Michigan	30	5%	127%	38%	60%	27%	13%	0%
Minnesota	32	12%	222%	66%	25%	34%	41%	0%
Mississippi	27	4%	89%	38%	15%	44%	41%	0%
Missouri	29	5%	118%	44%	55%	14%	31%	0%
Montana	25	14%	348%	66%	12%	44%	40%	4%
Nebraska	29	5%	125%	45%	52%	10%	34%	3%
Nevada	29	5%	213%	55%	34%	48%	10%	7%
New Hampshire	25	7%	370%	78%	64%	16%	20%	0%
New Jersey	23	5%	282%	60%	26%	35%	35%	4%
New Mexico	29	12%	238%	56%	41%	34%	24%	0%
New York	19	5%	352%	106%	11%	11%	79%	0%

FIGURE 39: DISTRIBUTIONS OF DISPOSITIONS BY JURISDICTION (CONTINUED)

					PERCENTAGE OF FILINGS			
JURISDICTION	**FILING COUNT**	**MINIMUM REQUEST**	**MAXIMUM REQUEST**	**AVERAGE REQUEST**	**APPROVED FULL REQUEST**	**APPROVED PARTIAL REQUEST**	**PENDING**	**DISAPPROVED**
North Carolina	34	5%	247%	59%	35%	21%	44%	0%
North Dakota	26	5%	415%	78%	35%	35%	8%	23%
Ohio	26	10%	264%	44%	50%	35%	15%	0%
Oklahoma	31	6%	186%	43%	39%	58%	3%	0%
Oregon	23	5%	124%	39%	35%	13%	52%	0%
Pennsylvania	29	4%	149%	43%	59%	28%	14%	0%
Rhode Island	21	5%	142%	60%	33%	24%	43%	0%
South Carolina	33	3%	217%	61%	15%	73%	9%	3%
South Dakota	27	6%	109%	40%	81%	11%	7%	0%
Tennessee	30	5%	135%	40%	70%	23%	7%	0%
Texas	24	5%	153%	49%	17%	46%	29%	8%
Utah	29	7%	134%	43%	52%	10%	24%	14%
Vermont	23	12%	451%	109%	30%	26%	39%	4%
Virginia	27	5%	244%	61%	37%	15%	48%	0%
Washington	31	5%	209%	45%	55%	26%	16%	3%
West Virginia	24	5%	131%	40%	46%	25%	29%	0%
Wisconsin	33	5%	116%	38%	91%	6%	3%	0%
Wyoming	27	5%	141%	43%	70%	15%	15%	0%

* Alaska does not require rate increases to be filed so the treatment of filings in Alaska varies by company.

FIGURE 40: APPROVAL INFORMATION BY JURISDICTION

				REQUESTS FOR APPROVED FILINGS			APPROVAL AMOUNTS**			
JURISDICTION	DISPOSITION COUNT	APPROVAL COUNT	AVERAGE MONTHS TO APPROVAL	MINIMUM	MAXIMUM	AVERAGE	MINIMUM	MAXIMUM	AVERAGE	RATIO OF AVERAGE APPROVED: REQUESTED
Alabama	31	31	3	2%	96%	29%	2%	51%	17%	0.58
Alaska*	16	16	2	5%	71%	27%	5%	63%	27%	0.98
Arizona	15	15	14	4%	132%	46%	4%	54%	28%	0.61
Arkansas	30	27	2	5%	223%	53%	5%	70%	21%	0.40
California	7	7	17	5%	300%	89%	4%	163%	41%	0.47
Colorado	13	13	22	5%	240%	75%	5%	115%	53%	0.70
Connecticut	16	16	7	5%	117%	43%	5%	56%	28%	0.64
Delaware	20	20	17	5%	104%	36%	5%	68%	25%	0.70
District of Columbia	24	24	3	5%	273%	45%	5%	21%	12%	0.26
Florida	6	6	10	18%	185%	74%	4%	82%	50%	0.67
Georgia	33	33	3	2%	254%	63%	2%	33%	14%	0.22
Hawaii	6	5	12	5%	99%	45%	4%	58%	25%	0.57
Idaho	13	13	11	5%	108%	45%	5%	72%	29%	0.65
Illinois	22	22	6	4%	71%	31%	4%	59%	29%	0.93
Indiana	12	12	17	20%	282%	70%	3%	73%	24%	0.34
Iowa	29	29	5	5%	179%	49%	5%	129%	29%	0.60
Kansas	19	19	5	7%	149%	48%	7%	81%	27%	0.55
Kentucky	27	27	4	7%	141%	49%	5%	112%	32%	0.64
Louisiana	24	24	7	3%	149%	55%	3%	51%	19%	0.34
Maine	18	16	4	12%	111%	39%	6%	48%	24%	0.63
Maryland	14	13	7	12%	176%	61%	10%	54%	25%	0.41
Massachusetts	22	22	10	5%	257%	78%	5%	96%	32%	0.42
Michigan	26	26	3	5%	79%	34%	5%	79%	31%	0.91
Minnesota	19	19	7	12%	128%	54%	12%	124%	37%	0.69
Mississippi	16	16	13	12%	83%	36%	8%	51%	20%	0.56
Missouri	20	20	5	5%	72%	37%	5%	95%	37%	0.99
Montana	15	14	4	14%	115%	44%	4%	44%	21%	0.47

FIGURE 40: APPROVAL INFORMATION BY JURISDICTION (CONTINUED)

				REQUESTS FOR APPROVED FILINGS			APPROVAL AMOUNTS**			
JURISDICTION	DISPOSITION COUNT	APPROVAL COUNT	AVERAGE MONTHS TO APPROVAL	MINIMUM	MAXIMUM	AVERAGE	MINIMUM	MAXIMUM	AVERAGE	RATIO OF AVERAGE APPROVED: REQUESTED
Nebraska	19	18	6	5%	125%	44%	5%	132%	41%	0.92
Nevada	26	24	5	5%	213%	54%	5%	201%	40%	0.75
New Hampshire	20	20	5	7%	370%	66%	7%	370%	57%	0.86
New Jersey	15	14	15	5%	282%	59%	5%	50%	20%	0.34
New Mexico	22	22	5	12%	165%	46%	10%	97%	36%	0.78
New York	4	4	17	24%	103%	54%	5%	51%	24%	0.44
North Carolina	19	19	11	5%	139%	39%	5%	71%	25%	0.63
North Dakota	24	18	2	5%	180%	58%	5%	60%	34%	0.58
Ohio	22	22	12	10%	147%	35%	10%	97%	30%	0.86
Oklahoma	30	30	3	6%	186%	44%	5%	101%	26%	0.59
Oregon	11	11	15	5%	124%	44%	5%	66%	33%	0.74
Pennsylvania	25	25	5	4%	149%	45%	4%	129%	38%	0.84
Puerto Rico	3	3	5	10%	37%	22%	10%	37%	22%	1.00
Rhode Island	12	12	18	5%	131%	57%	5%	130%	45%	0.79
South Carolina	30	29	4	3%	217%	62%	2%	47%	16%	0.25
South Dakota	25	25	3	6%	109%	39%	6%	109%	37%	0.95
Tennessee	28	28	8	5%	135%	38%	5%	135%	34%	0.89
Texas	17	15	7	12%	92%	44%	2%	92%	33%	0.74
Utah	22	18	4	7%	113%	40%	7%	74%	32%	0.80
Vermont	14	13	17	12%	340%	75%	10%	76%	37%	0.49
Virginia	14	14	16	5%	244%	60%	5%	101%	45%	0.76
Washington	26	25	9	5%	95%	40%	5%	92%	30%	0.75
West Virginia	17	17	5	5%	131%	37%	5%	51%	27%	0.72
Wisconsin	32	32	3	5%	116%	38%	5%	116%	38%	0.99
Wyoming	23	23	2	5%	113%	39%	5%	112%	39%	0.98

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** The approved rate increase may have exceeded the request due to negotiations with departments (e.g., actuarial equivalence for phased-in increase).

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