



New Hampshire Insurance Department

*2022 Long Term Care Rate Increases
Frequently Asked Questions*



State of New Hampshire Insurance Department

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Purpose: The purpose of this FAQ is to provide consumers with information on Long Term Care insurance rate increases.

Background: Long Term Care (LTC) insurance is one way that individuals can pay for nursing-home care, home-health care and personal or adult day care services. This type of insurance, introduced in the 1980's as nursing home insurance, may pay the service provider directly or provide reimbursement to the policy owner. For general information regarding LTC insurance, visit NHID's Senior Services page at <https://www.nh.gov/insurance/consumers/senior.htm>.

LTC plans present their own relatively unique pricing challenges. Most LTC insurance policyholders purchase policies long before they expect to make a claim. Issuers make assumptions regarding the number of policyholders who will let their coverage lapse (i.e. stop paying premium before making a claim). The premiums paid by lapsing policyholders become available to support persisting policyholders who don't lapse. These assumptions are critical to pricing.

Issuers are finding that fewer policyholders are lapsing than what they had expected. This means there are:

- fewer dollars from lapsed policies to support persisting policyholders;
- more policyholders who are likely to make a claim;
- and fewer policyholders, since some have already lapsed, to absorb dollars needed to be raised in order to ensure the vitality of the block of business.

In 2018, the New Hampshire Insurance Department implemented a rule that would limit the premium rate increase an issuer could impose based on the insurer's attained age. For a three year period, the maximum increase an issuer could impose was capped at 50% for insureds under age 70. This cap graded down to 10% for insureds age 90 and over.

However, a 2021 New Hampshire Supreme Court decision invalidated this rule. As a result, a number of companies have sought increases that had been previously denied under the prior rule. The Department hopes the following information will answer many commonly asked questions concerning changes that NH insureds might be experiencing as a result of these increases.

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Frequently Asked Questions:

1. Are the premium increases legal?

Yes. LTC insurance policies are issued on a guaranteed renewable basis. While the issuer is required to maintain the policy in the manner in which it was issued, it is permitted to increase rates.

2. Are there any limits on rate increases?

Yes. NHID rules require issuers to demonstrate that a certain percentage of premium dollars will go towards paying claims. This is called a loss ratio test. At the time the policy was originally filed, issuers had to demonstrate that at least 60% of premiums would go towards claims. Rate increase demonstrations are subject to higher loss ratio requirements. In theory, this does create an upper limit on allowable increases. However, based on accumulated data that proves original pricing assumptions were inadequate, these limits can result in very large increases.

Further, NHID regulations require that approved increases be implemented in a manner in which no policyholder experiences more than a 20% increase in any one year. The schedule of increases required to implement the issuer's total approved increase must be provided to you with the notice of the approved increase.

3. I am on a fixed-income, what are my options?

If your rates increase by more than a specified percentage amount of your original issued premium, New Hampshire's insurance regulations require that the issuer provide you with a non-forfeiture option of reduced paid-up insurance.¹ If you elect this benefit, your policy would lapse and in its place you will be issued a new contract, giving you paid-up coverage with the total benefits limited to the total sum of premiums paid.

Generally, issuers also voluntarily provide additional options in lieu of the full premium increase. These may include other non-forfeiture options or reduced coverage. Reducing coverage might include eliminating COI (cost of inflation) benefit increases, reducing the daily benefit, reducing the maximum benefit, increasing the elimination period or some combination of these. Insured consumers should discuss all options with their insurance producer or a financial advisor.

¹ See [NH CAR Part INS 3601.27 Nonforfeiture Benefit Requirement](#) for details, including a table of specified percentages.

4. If I accept a non-forfeiture option, is my policy changing?

The terms of your coverage will always change when you select a non-forfeiture option, but these changes can be made while keeping you under the same policy. Many issuers offer lower or no rate increase if the policyholder is willing to accept certain contractual changes.

5. Will my rates increase again?

Your rates could increase again. While state regulations limit rate increases to 20% a year, your company may have received approval for a larger increase, which the company must implement over multiple years. Please refer to the chart on the last page of this document for a list of rate increases approved by the Insurance Department in 2021 and 2022. NHID regulations do not permit the company to increase rates while a prior increase is being implemented, i.e. while the issuer is still implementing an approved rate increase schedule.

6. What increases has NHID approved recently?

Since the NHID rule has been vacated, NHID has approved rate increases for the following companies: Allianz, American General, Brighthouse, John Alden, John Hancock, MedAmerica, Metropolitan Life, NY Life, Prudential and Transamerica Life. The NHID Approved Rate Increases table for 2021-2022 can be found on the last page of this document.

7. I still have questions or concerns regarding my options. Who can I contact?

Questions and concerns regarding premium increases and non-forfeiture options are best directed to your LTC insurance company or insurance producer. The NH Insurance Department Consumer Services Unit can also help. Please contact us at 603-271-2261, in state toll free 800-852-3416 or email consumerservices@ins.nh.gov.

8. How can I access or review issuer rate filings to better understand their justifications for increasing rates?

SERFF Public Access Portal – Approved LTC Rate Increase Review Instructions

Background (or support) data, submitted by companies which have received Department approved Long Term Care (LTC) rate increases, may be found through

the SERFF public access portal. Referencing the LTC Rate Increases Chart, consumers may use the following instructions to locate the rate request filings, submitted to and approved by the NH Insurance Department (NHID).

Portal Access

1. Navigate to SERFF public access portal via this link:
<https://filingaccess.serff.com/sfa/home/nh>
2. Click "Begin Search" button.
3. Click "Accept" button.

Filing Search

4. Business Type – Do not select anything
5. Company Name = Blank
6. NAIC Company Code = Blank
7. Insurance Product Name = Blank
8. SERFF Tracking # = Enter the SERFF Filing Number, found in the 3rd column of the rate chart
 - a. Example: LTCG-132959648
9. Start Submission Date = Blank
10. End Submission Date = Blank
11. Click "Search" button.

Search Results

1. One result will be presented.
2. Select (click) the filing.

Filing Summary

- Open the attachments that reference rate sheets and Exhibits



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NHID Approved LTC Rate Increases: 2021 - 2022

Company Name	Block/Form Series Reference	SERFF Filing Number	Implement. Date	Approved Increase (# of years x % per year)	Number of Prior Approved Increases	Number of Affected NH Insureds	Status
Allianz	GPR	ALLB-133010785	01/01/22	3 Years: 3 x 20%	2	133	Approved
Allianz	GP2	ALLB-133010764	01/01/22	2 Years: 2 x 20%	1	61	Approved
American General	64028, NH RI 6	LTCG-132959648	11/01/21	2 Years: 15% and 12%	5	30	Approved
Brighthouse Life Ins Co	H-LTC(2-4)J*	MILL-132681678	11/01/21	9 Years: 8 x 20% & 1 x 10%	5	287	Approved
Genworth	Flex I	GEFA-132636762	06/28/21	3 Years: 3 x 20%	0	444	Approved
John Alden Life	J-5762, J-5875	LFCR-133015248	01/01/22	3 Years: 3 x 20%	3	52	Approved
John Hancock	***-NH-91, Advantage	MULF-133024532	01/01/22	1 Year: 20%	4	101	Approved
John Hancock	Advantage Gold	MULF-133024532	01/01/22	2 Years: 15% and 2%	4	341	Approved
John Hancock	Custom or Essential Care	MULF-133024532	01/01/22	2 Years: 20% and 11%	3	399	Approved
John Hancock	Custom or Essential Care II	MULF-133024532	01/01/22	2 Years: 20% and 6%	2	582	Approved
John Hancock	LTC-03 NH (2007)	MULF-133063268	01/01/22	1 Year: 19%	2	158	Approved
MedAmerica Insurance Company	FC-336-NH, FC-337-NH	TRIP-132819901	10/01/21	3 Years: 3 x Varies	0	36	Approved
MedAmerica Insurance Company	SPL2-336-NHxx, simplicity ii	TRIP-132933585	10/01/21	3 Years: 3 x 20%	1	45	Approved
MedAmerica Insurance Company	SPL-336, Simplicity	MILL-132837094	11/01/21	5 Years: 5 x 20.5%	3	35	Approved
MedAmerica Insurance Company	Combined Ins Co of America 515, 700, 780	MILL-132837001	11/01/21	4 Years: 4 x 20%	3	39	Approved
Metropolitan Life	AARP G.LTCAARP-04-OP	META-132813790	01/01/22	2 Years: 2 x 10%	1	65	Approved
Metropolitan Life	G.LTC6897, G.LTC6767 (AARP)	META-132813680	01/01/22	2 Years: 2 x 10%	1	260	Approved
NY Life	ILTC-5000 & INH-5000	NWLT-132834415	10/01/21	5 Years: 5 x 12.5%	1	193	Approved
NY Life	ILTC-4300 & INH-4300	NWLT-132834409	10/01/21	5 Years: 5 x 12.5%	1	45	Approved
Prudential	GRP 113096 (ILTC3R)	PRUD-132806983	10/01/21	3 Years: 2 x 20% and 7.6%	1	11	Approved
Transamerica Life Ins Co	TransCare/TransGenerations	AEGB-132702437	07/01/21	6 Years: 6 x 20%	6	89	Approved
Transamerica Life Ins Co	NEA	AEGB-132702434	07/01/21	6 Years: 6 x 20%	6	125	Approved
Transamerica Life Ins Co	Legacy/Flex	AEGB-132702430	07/01/21	6 Years: 6 x 20%	6	311	Approved