



EssentialLTC - Monthly Modal Premium Factor utilized to determine monthly premium is being lowered in 5 additional states

Effective October 11, 2019 the modal premium factor utilized to determine the monthly premium amount for the EssentialLTC product is being lowered in 5 additional states. The change will be from a current factor of .095 to a new factor of .0875. This change will occur in the following states:

Connecticut Delaware Indiana South Dakota North Dakota

This is in addition to the 41 states where the lower monthly modal premium factor has already been introduced. Please see the [EssentialLTC State Variation](#) listing for a full list of states that have introduced the reduced monthly modal premium factor.

Impact to New Business

The new lower monthly modal premium factor will mean that when quoting a monthly premium payment in these states, the monthly premium will be slightly less than it would be utilizing the old factor.

EssentialLTC Illustration Software

The revised illustration software, which will include the lower monthly modal premium factor, will be available October 11, 2019.

If you had previously saved an illustration from one of the affected states in the EssentialLTC illustration software, you will still be able to access the saved illustration. Should you access a saved illustration in a state where the monthly modal premium factor has changed, running the illustration reports will result in a monthly premium that reflects the new lower factor.

Impact to Existing (active) Policies on the Monthly Mode in Affected States

EssentialLTC policies issued in the impacted states that are on a monthly payment mode will have the monthly premium amount automatically recalculated utilizing the new lower monthly modal premium factor, resulting in a lower monthly payment. This change will be reflected for monthly payments occurring October 11, 2019 and after.

In addition, any active policy that had one or more premium payments made on a monthly mode over the life of the policy will have each monthly payment recalculated. Any recalculated amount due will be refunded to the payee with interest. Affected policyholders will be sent a letter explaining the change in the monthly modal premium factor, and that the result is a premium refund with interest.