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To: [IIPRC - Comments Shared Mailbox](#)
Cc: [Northrup, Tami J.](#); [Wiseman, Shelley](#)
Subject: Utah comments regarding the proposal to change 15% threshold for LTC rate increase approvals
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On behalf of Utah Insurance Department (UID), I'd like to offer these comments on the proposed options regarding South Carolina request to change the 15% threshold for approval of in-force rate increase requests on Compact-approved Long Term Care products.

UID believes that the change requested by South Carolina insurance director would be a step in the wrong direction. Utah urges IIPRC to keep 15% threshold for Compact approval of in-force increases (status quo).

Removal or lowering of the threshold would likely result in less uniformity and unfair rates. All consumers that purchase Compact-approved LTC form have the same benefits, can utilize these benefits in any state, are subject to the same underwriting, and pay the same initial rates. Any rate increase request is likely to be supported on the basis of nationwide experience, with experience of any individual state lacking credibility. When the rate increase is left to the approval by the individual states (as happens currently with increases over 15%), the result is typically non-uniform approval resulting in different policyholders paying different rates based solely on the state of issue of the policy. This is undesirable and unfair result.

Currently, IIPRC has the approval authority over the rate increases that do not exceed 15% threshold. So, when the required rate increase is under that threshold, not only can we rely on the Compact staff review of the filing, but we can also take solace in the fact that any rate increase will be implemented uniformly and our (Utah) consumers will be treated fairly.

In the event all IIPRC reviews become advisory, we will be face with uncertainty regarding the fairness of the process. To the extent that we approve increase as requested while another state does not, Utah consumers would be harmed. This in turn would necessitate the department taking additional steps to prevent this from happening. The result would mean less fair outcome to the consumers, more work by the insurance departments' staff, and more work for the industry.

In the recent years, NAIC leadership started a number of initiatives with the goal to make rate increase approval process more uniform. The request from South Carolina would appear to go in the opposite direction and would almost certainly lead to less uniformity.

We appreciate the opportunity to make these comments and we would be available to answer any questions if needed.

Sincerely,

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