We followed with interest on the the telephone line the May15 hearing of several long-term care insurance carriers trying to justify large increases in their premiums. The companies included John Hancock, who presented actuarial memoranda for two classes of long-term care insurance policies. The two policy classes were:
John Hancock Group Long Term Care, form GPB-SPR-0007.02, issued between June 1998 and October 2012 and
Corporate Choice, form P-FACE (2004) MD, issued between December 2008 and March 2012

My wife and I have John Hancock long-term care insurance policies issued on April 2, 2001. However, our policies have the form number LTC-96-MD 3/97. Our questions are the following:

1) Are our John Hancock policies included under the Group series noted above? If so, why do our policies have a different form number?
2) If our policies are included under the group, why was John Hancock allowed to increase the premium on our policies effective April 2, 2017? Was that for the preceding year, 2016?
3) If our policies were not included in the Group policy, when will John Hancock have to present an actuarial memorandum to attempt to justify its future massive premium increases in our policies? Will there be a public hearing?

Regardless of the answers to the above questions, we have the following comment concerning John Hancock's attempt to justify its premium increases: John Hancock stopped writing both of its long-term care policy forms in Maryland several years ago. Thus, no premiums from new and younger customers are coming in. As a certain percentage of existing customers stop paying premiums and others die, the remaining aging policy holders are increasingly likely to have need of their policy benefits. Thus, the claims experience of the company will necessarily deteriorate over time since new money is not coming in.. To take an extreme, hypothetical example, suppose 30 years from now there is only a single policy holder left in one of these policy classes, and he or she has a potential claim on $600,000 in benefits. On an actuarial basis, it is determined that there is a 50% likelihood that this sole remaining customer will claim benefits. If the companies are allowed to base policy premiums on the likely claims experience on a single policy class issued in the State of Maryland, that would imply premiums on the policy totaling $300,000, which is obviously impossible. No, John Hancock, a large international financial services company - which operates all over the United States and abroad and not only sells all types of insurance, but also annuities and other investments - should be required by the Maryland Insurance Administration to base its premium increase requests on the overall financial strength of the company and not solely or even largely on the expected claims experience of a class of policies written in Maryland for only a few years and which are no longer being written.

I would appreciate answers to my questions and that my comment be included in the record of the May 15,2017 hearing. Thank you very much for your attention and assistance.

Clarke N Ellis and Giovanna Ellis