**MEMORANDUM**

TO: Health Insurance and Managed Care (B) Committee

FROM: Long-Term Care Insurance (B) Task Force

DATE: March 16, 2024

RE: Amendment to AG 51

The Health Risk-Based Capital (E) Working Group established the Health Test Ad Hoc Group in 2018 to review the health test language within the Annual Statement Instructions due to inconsistencies in reporting of health business across the different blanks, as well as a significant amount of health business reported on the life and fraternal blank. Through the evaluation and discussion of changes to the health test, there was a question brought up as to whether an entity would still be required to comply with *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51) requirements for long-term care insurance (LTCI) business if the entity moved from the life blank to the health blank.

In consideration of the Health Risk-Based Capital (E) Working Group’s request for a sentence to be added to AG 51 to clarify the applicability to insurers filing health blanks, the Long-term Care Actuarial (B) Working Group adopted an amendment to AG 51’s scope paragraph (**Attachment A**) on Nov. 20, 2023, that would indicate that regardless of the blank the entity files, AG 51 filing is required by the entity if the criteria stated in the Guideline are met. The Health Actuarial (B) Task Force adopted the amendment on Feb. 20, 2024. The Long-Term Care Insurance (B) Task Force adopted the amendment on March 16, 2024.

The Long-Term Care Insurance (B) Task Force requests the Committee consider adopting the amendment to AG 51.