

From: [Brady - DORA, Sean](#)
To: [King, Eric](#)
Cc: [Nugent, Peter](#); [Batista, Deborah](#); [Sloan, Sydney](#)
Subject: Re: Long-Term Care Actuarial (B) Working Group Exposure - Comments Due May 12
Date: Tuesday, May 6, 2025 3:35:37 PM

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Colorado response:

"Colorado prefers the "Alternative" Proposal, discussed on the February 21, 2025 Working Group call. Our reasoning is that we are in favor of having some amount of cost sharing for the first 100% of rate increases. While we do want to encourage early rate increases, we think 0% cost sharing does not appropriately penalize underpriced products.

The difference in the higher rate increases we do not think will be relevant as often, and frequently the blocks and companies reaching cumulative rate increases above 800% require special consideration that will likely change the cost sharing anyway.

Colorado does not agree with Pennsylvania's proposal to limit what the MSA could recommend to 100% of current rates. Our opinion is that states are not bound to the MSA's recommendation, and if the state feels the recommendation is inappropriate, they can choose not to follow it."

On Fri, Mar 28, 2025 at 2:01 PM King, Eric <EKing@naic.org> wrote:

To: Long-Term Care Actuarial (B) Working Group Members, Interested Regulators, and Interested Parties:

The Long-Term Care Actuarial (B) Working Group is considering revised cost-sharing factors to accompany implicit cost-sharing contained in the blended / if-knew aspect of the MSA approach adopted by the Working Group and the Long-Term Care Insurance (B) Task Force in late 2024.

Please provide comments to eking@naic.org on the following cost-sharing proposals by May 12, 2025:

Missouri Proposal:

- No haircut for the first 100%.
- 35% for the portion of cumulative rate increase between 100% and 400%
- 70% for the portion of cumulative rate increase between 400% and 800%
- 85% for the portion of cumulative rate increase between 800% and 1000%
- 95% haircut for the portion of the cumulative rate increase in excess of 1000%

“Alternative” Proposal, discussed on the February 21, 2025 Working Group call:

- 5% haircut for the first 100%.
- 35% for the portion of cumulative rate increase between 100% and 400%
- 70% for the portion of cumulative rate increase between 400% and 800%
- 85% for the portion of cumulative rate increase in excess of 800%

There will be a Working Group call in mid to late May to choose between the proposals or factors in between those stated in the proposals.

By May 12, 2025, please also provide comments on a proposal previously provided by the Pennsylvania Department. This proposal states that the Multi-State Actuarial Team would not recommend a rate increase for any state higher than 100% of current rates in that state. The idea is to provide a path forward for states with lower past cumulative approvals by avoiding recommendation of extremely high rate increases. In subsequent filings with states (or if arrangements are worked out with a state), companies could file to recoup what was justified.

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