



OFFICE OF
INSURANCE COMMISSIONER

Dec. 10, 2024

Jane M. Koenigsman, FLMI
Sr. Manager II, Life & Health Financial Analysis
NAIC Financial Regulatory Services
1100 Walnut St, Ste 1000
Kansas City, MO 64106-2197

RE: Comments for the LTCI (B) Task Force: MSA Framework

Dear Jane,

Our office appreciates the amount of effort it took in developing the MSA Framework. Unfortunately, the current framework conflicts with Washington state's LTC rating regulations. Under the pooling requirements [see WAC 284-54-620 (prior to 2009) and WAC 284-83-220 (starting 2009)] for closed blocks of business, our policy has been to enforce a flat percentage increase across the pool. A flat increase is not considered discriminatory. The reason for a flat increase is that a closed block in general is not credible for changing adjustment factors, such as age factors.

LTC policies are rated based on the issue age of the policyholder. Policyholders with the same issue age, benefits, and risk category, must be charged the same rates to avoid unfair discrimination [RCW 48.01.030, 48.18.480 and 48.30.010]. The Multistate Rate Review has included discussions of limiting increases for policyholders age 85+ or have owned a policy for 25+ years which can result in similar policyholders receiving different rate increases based on their attained age or policy duration. These adjustments are in conflict with current state law and regulation; therefore, our office cannot support this proposal at this time.

Thank you,

A handwritten signature in black ink, appearing to read "John B. Haworth", enclosed in a circular scribble.

John Haworth
Deputy Insurance Commissioner – Company Supervision
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504