



Draft: 11/22/22

*Virtual Meeting  
(in lieu of meeting at the 2022 Fall National Meeting)*

**LONG TERM CARE INSURANCE (EX) TASK FORCE**

Wednesday, November 30, 2022

12:00 – 1:00 p.m. ET / 11:00 a.m. – 12:00 p.m. CT / 10:00 – 11:00 a.m. MT / 9:00 – 10:00 a.m. PT

**ROLL CALL**

Scott A. White, Chair	Virginia	Mike Chaney	Mississippi
Michael Conway, Vice Chair	Colorado	Chlora Lindley-Myers	Missouri
Mark Fowler	Alabama	Troy Downing	Montana
Lori K. Wing-Heier	Alaska	Eric Dunning	Nebraska
Evan G. Daniels	Arizona	Barbara D. Richardson	Nevada
Alan McClain	Arkansas	Marlene Caride	New Jersey
Ricardo Lara	California	Russell Toal	New Mexico
Andrew N. Mais	Connecticut	Mike Causey	North Carolina
Trinidad Navarro	Delaware	Judith L. French	Ohio
Karima M. Woods	District of Columbia	Glen Mulready	Oklahoma
David Altmaier	Florida	Andrew R. Stolfi	Oregon
Colin M. Hayashida	Hawaii	Michael Humphreys	Pennsylvania
Dean L. Cameron	Idaho	Elizabeth Kelleher Dwyer	Rhode Island
Dana Popish Severinghaus	Illinois	Michael Wise	South Carolina
Amy L. Beard	Indiana	Larry D. Deiter	South Dakota
Doug Ommen	Iowa	Carter Lawrence	Tennessee
Vicki Schmidt	Kansas	Cassie Brown	Texas
Sharon P. Clark	Kentucky	Jon Pike	Utah
James J. Donelon	Louisiana	Kevin Gaffney	Vermont
Timothy N. Schott	Maine	Mike Kreidler	Washington
Kathleen A. Birrane	Maryland	Allan L. McVey	West Virginia
Gary D. Anderson	Massachusetts	Nathan Houdek	Wisconsin
Anita G. Fox	Michigan	Jeff Rude	Wyoming
Grace Arnold	Minnesota		

NAIC Support Staff: Jane Koenigsman/Jeffrey C. Johnston

**AGENDA**

1. Consider Adoption of its Oct. 31, and Summer National Meeting Minutes—*Commissioner Scott A. White (VA)* Attachment One
  
2. Discuss Proposed Edits to the Checklist for Premium Increase Communications—*Commissioner Scott A. White (VA) and Brenda J. Cude (University of Georgia)* Attachment Two

3. Receive a Report on Long-Term Care Insurance (LTCI) Financial Solvency and Industry Trends—*Fred Andersen (MN)*
4. Receive a Report on the Development of the Multistate Actuarial (MSA) Associate Program—*Fred Andersen (MN)*
5. Hear a Report on the Task Force’s Planned Regulator-to-Regulator Meeting—*Commissioner Scott A. White (VA)*
6. Discuss Any Other Matters Brought Before the Task Force—*Commissioner Scott A. White (VA)*
7. Adjournment

Draft: 11/10/22

Long-Term Care Insurance (EX) Task Force  
E-Vote  
October 31, 2022

The Long-Term Care Insurance (EX) Task Force conducted an e-vote that concluded Oct. 31, 2022. The following Task Force members participated: Michael Conway, Vice Chair, represented by Eric Unger (CO); Lori K. Wing-Heier (AK); Mark Fowler (AL); Evan G. Daniels represented by Erin Klug (AZ); Ricardo Lara represented by Ahmad Kamil (CA); Andrew N. Mais represented by Paul Lombardo (CT); Karima M. Woods represented by Philip Barlow (DC); Trinidad Navarro represented by Frank Pyle (DE); David Altmaier represented by Lilyan Zhang (FL); Colin M. Hayashida represented by Martha Im (HI); Doug Ommen represented by Andria Seip (IA); Dean L. Cameron represented by Weston Trexler (ID); Amy L. Beard represented by Scott Shover (IN); Sharon P. Clark (KY); Kathleen A. Birrane represented by Brad Boban (MD); Timothy N. Schott (ME); Anita G. Fox represented by Karen Dennis (MI); Grace Arnold represented by Fred Andersen (MN); Chlora Lindley-Myers represented by Carrie Couch (MO); Troy Downing represented by Bob Biskupiak (MT); Mike Causey represented by Jackie Obusek (NC); Russell Toal represented by Anna Krylova (NM); Barbara D. Richardson represented by Jack Childress (NV); Glen Mulready represented by Andrew Schallhorn (OK); Michael Humphreys (PA); Elizabeth Kelleher Dwyer (RI); Michael Wise (SC); Larry D. Deiter (SD); Carter Lawrence represented by Bill Huddleston (TN); Cassie Brown represented by Chris Herrick (TX); Jon Pike represented by Tanji J. Northrup (UT); Kevin J. Gaffney (VT); Nathan Houdek (WI); and Allan L. McVey (WV).

1. Adopted its 2023 Proposed Charges

The Task Force conducted an e-vote to consider adoption of its 2023 proposed charges (Attachment One-A). The motion passed with a majority of the members voting in favor.

Having no further business, the Long-Term Care Insurance (EX) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/EX CMTE/LTCITF/2022 Fall  
NM/minutes/LTCI(EX)TaskForce\_103122\_Minutes.docx

## Draft Pending Adoption

Attachment One

Draft: 8/29/22

Long-Term Care Insurance (EX) Task Force  
Portland, Oregon  
August 12, 2022

The Long-Term Care Insurance (EX) Task Force met in Portland, OR, Aug. 12, 2022. The following Task Force members participated: Scott A. White, Chair (VA); Michael Conway, Vice Chair (CO); Lori K. Wing-Heier (AK); Mark Fowler (AL); Evan G. Daniels represented by Erin Klug (AZ); Ricardo Lara represented by Susan Bernard (CA); Andrew N. Mais represented by Paul Lombardo (CT); Karima M. Woods represented by Philip Barlow (DC); Trinidad Navarro (DE); David Altmaier represented by John Reilly (FL); Colin M. Hayashida (HI); Doug Ommen (IA); Dean L. Cameron (ID); Amy L. Beard represented by Scott Shover (IN); Vicki Schmidt (KS); Sharon P. Clark (KY); James J. Donelon (LA); Gary D. Anderson (MA); Kathleen A. Birrane represented by Brad Bovin (MD); Timothy N. Schott (ME); Anita G. Fox represented by Karen Dennis (MI); Grace Arnold and Fred Andersen (MN); Chlora Lindley-Myers represented by Cynthia Amann (MO); Mike Chaney represented by Bob Willams (MS); Troy Downing (MT); Mike Causey represented by Jackie Obusek (NC); Eric Dunning (NE); Marlene Caride (NJ); Barbara D. Richardson (NV); Judith L. French (OH); Glen Mulready (OK); Michael Humphreys (PA); Elizabeth Kelleher Dwyer (RI); Michael Wise (SC); Larry D. Deiter represented (SD); Carter Lawrence represented by Brian Hoffmeister (TN); Cassie Brown represented by Chris Herrick (TX); Jon Pike (UT); Kevin Gaffney (VT); Mike Kreidler (WA); Nathan Houdek (WI); Allan L. McVey (WV); and Jeff Rude (WY).

### 1. Adopted its Spring National Meeting Minutes

Commissioner Conway made a motion, seconded by Commissioner Rude, to adopt the Task Force's April 6 minutes (see *NAIC Proceedings – Spring 2022, Long-Term Care Insurance (EX) Task Force*). The motion passed unanimously.

### 2. Received a Report on Implementation Plans for the LTCI MSA Framework

Commissioner Conway said the implementation of the long-term care insurance (LTCI) multistate actuarial (MSA) process has been focused on staff-level tasks that are important for making the MSA available for insurers and states to participate in. NAIC staff have nearly finalized the filing instructions for insurers who are interested in using the MSA process. A website will be available in September that will house items from the Long-Term Care Insurance Multistate Rate Review Framework (LTCI MSA Framework), including the insurer certification, the information checklist, and other directions for submitting a rate request and contact information for starting an MSA submission. He said the MSA process will use the NAIC's System for Electronic Rates & Forms Filing (SERFF) application. MSA rate requests will be separated within SERFF by the assigned filing number. He said the Interstate Insurance Product Regulation Commission (Compact) staff will be assisting in an administrative role, like their role during the Pilot Project. They will be a point of contact for insurers that are submitting an MSA rate request and will assist in administrating the request within SERFF. He said process instructions and procedures for the MSA Team and the Compact staff focusing on the intake of rate requests are also being developed to aid MSA Team members. This documentation will be further developed over time as the MSA Team gains more experience with MSA reviews.

Commissioner Conway said the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup and the Task Force will need to continue considering how to promote the MSA process to both insurers and state insurance regulators to encourage participation in the program. This participation will be critical to the future success of this program and to achieving the goals of this Task Force. Commissioner White said he will continue to have dialogue with Task Force members to participate in the MSA process when filings are received.

### 3. Heard an Update on LTCI Industry Trends

Mr. Andersen said the Valuation Analysis (E) Working Group has an ongoing project to reviews insurers' *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51) filings to focus on reserves and solvency. The Working Group is monitoring the following key factors:

- Cost-of-care inflation trends, especially in blocks of policies with 5% inflation protected benefits, where it becomes a source of uncertainty and vulnerability for the insurance company.
- Attitudes toward different statuses of care that may affect per-day insurance claim costs going forward.
- The impact of COVID-19 trends going into the future.
- General morbidity, including uncertainty of frequency of claims and length of claims.
- Ensuring consistency between an insurer's assumptions in reserves and assumption in rates.
- Private equity and complex assets of life insurers with LTCI blocks.

Commissioner White asked if rising interest rates are helping insurers after the impacts of the low interest rate environment. Mr. Andersen said he estimates on average that 10% of life insurers' assets turn over each year. If interest rates continue to increase and one assumes for this year probably 90% of the insurers' assets were purchased during the low interest rate environment and 10% in the improved environment, and one assumes if the same trend continues, then in three to five years, one would see a significant helpful impact.

### 4. Received a Report on the MSA Associate Program

Mr. Andersen said the MSA Associate Program was developed in recognition of the need to increase overall regulatory expertise related to long-term care (LTC) financial risks. He said there are more than a dozen members in the program. The program members are analyzing risks that affect both reserves and rates. As submissions to the MSA process are received, several program members have offered to be involved in the review process to be an immediate resource and to train them on the more complex activities. He said he anticipates the program members will meet again in the upcoming quarter.

Commissioner Donelon asked how many states were on the MSA Team and if the MSA Associate Program is intended to replenish that workforce. Mr. Andersen said the MSA Team is currently comprised of Connecticut, Minnesota, Texas, and Utah. Mr. Andersen said there are multiple purposes that are included in the MSA Framework, including mentorship and the sharing of ideas and expertise.

Commissioner Donelon asked how many submissions were reviewed as part of the pilot program and if states had to agree to receive it. Mr. Andersen said there were four submissions, and all states had access to it. He said during the pilot, the addition of a webinar with state insurance departments was an improvement to the process that allowed for more communication with all states and gives states the opportunity to review the draft recommendation and offer feedback before the recommendation was finalized. Commissioner White the webinars will continue.

Commissioner Donelon asked of the four pilot program submissions, if the MSA recommendation was submitted to the state. Mr. Andersen said because the legal view on the report evolved during the pilot program, only the last two participating insurers received a copy of the MSA Advisory Report. Currently, the company will receive a copy of the MSA Advisory Report. This will give the company flexibility to highlight that its rate request was reviewed by the MSA and to possibly adjust the amount of the requested rate increase.

Commissioner Donelon asked about the take-up of state participation and acceptance of the MSA recommendation. Commissioner Conway said this has been an evolutionary process both in its development

through the pilot program and from the standpoint of states' use of the recommendation. He said he is continuing to see the evolution of this and want to encourage as much participation amongst the states as possible. He encouraged state insurance regulators to share any issues with states' willingness to participate in the program. He said the he has seen more states understand the process and use the MSA recommendation.

Commissioner Donelon said he is open to the MSA process. He asked what is meant by participation, i.e., using the recommendation, being in the MSA Associate Program, or being part of the review. Commissioner Conway said participation refers to the use of the MSA recommendation, although this is part of the evolution. States use the recommendation in different ways. State insurance departments will always have the authority for the final approval. He said states will each go through their process as they deem appropriate, but the MSA recommendation is helping to inform the review of the state insurance department.

Commissioner White said to the extent it is desired that all states on the Task Force participate in a discussion about a recommendation, that is not occurring yet. However, he said that is not the states' fault with the pilot program. In one case, some states did not participate due to the timing of past approvals and the ineligibility for a rate increase at the time the MSA review was completed. Commissioner White said some insurers have said it does not make sense to submit a rate proposal to the MSA process if states are not going to participate. He said insurers have been asked what "participation" means. Insurers are not sure and would like to engage on this question. Commissioner White said states are not bound by the MSA recommendation but asked Task Force members to think about what their state insurance department would be comfortable with in terms of participation. He said further discussion will be held, likely in the Long-Term Care Insurance Multistate Rate Review (EX) Subgroup.

### 5. Heard a Presentation on CIPR Research

Commissioner White said the NAIC Center for Insurance Policy and Research (CIPR) conducted a research project With the help of two of the NAIC's consumer representatives, Brenda J. Cude (University of Georgia) and Bonnie Burns (California Health Advocates—CHA). The research included interviews of financial planners who had been asked by their LTCI consumers to help them understand and make decisions when they receive rate increase notices that included reduced benefit options (RBOs).

Ms. Cude and Ms. Burns presented the slides on the CIPR research (Attachment One) and their summary information (Attachment Two and Attachment Three). In addition to presenting the information as stated in the summary attachment, Ms. Cude and Ms. Burns added the following comments during their presentation:

- Ms. Cude said by way of background, many LTCI policyholders, especially those who have had policies for quite some time, have experienced significant rate increase and often multiple rate increases, which typically come with the opportunity to choose one or more RBOs. Ms. Crude said the product of the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup that is most relevant is the RBO Consumer Notices Checklist for state insurance regulators to use in reviewing premium increase communication to consumers.
- Ms. Cude explained that they interviewed financial planners, not consumers. She explained that in addition to the limitations of the CIPR research included Attachment One and Attachment Two, the research is not representative of all LTCI policyholders as financial planner clients likely have more resources than other consumers in general. She said the research could not establish cause and effect, so they could not determine if states that have used the RBO Consumer Notices Checklist had any influence on what the financial planners saw in their work with their clients.

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Attachment One

- Commissioner Donelon asked for an explanation of the average policyholder age of 75 in the study, which differs from, for example, the Senior Health Insurance Company of Pennsylvania, whose average age of premium paying policyholders is 86. Ms. Cude said the age of 75 in the presentation was from a report that indicated 75 was the average age of the most rate increase block, and it was not specific to the CIPR research.
- Ms. Cude said that policyholders had paid the same premium for years while other bills increased, which reinforced their expectation that these premiums were not going to change, and then they did change.
- Ms. Burns said she has personally counseled more than 200 people on RBOs, and what the financial planners reported as the reaction of policyholder is consistent with the reactions she saw regardless of age or the period they held the policy. She said consumer notices are often 13 pages long with only one page grid with the options listed. Consumers are confused about what the options are and how to deal with the choice, and that the options presented are the only options available to reduce the premium cost.
- Ms. Burns said consumer services numbers are not presented to the consumer in a way that is not related to the fact that consumers can call the company and talk about other ways to reduce their premium. The language in the consumer notice needs to be simplified and specific so consumers understand they can call the company about how to make other choices.
- Ms. Burns said with regard to states' Senior Health Insurance Program (SHIP) agencies, two-thirds of SHIPs are not housed in the department of insurance (DOI) and do not have a relationship with the DOI, and they have little information about LTCI. She said that through her training and development of resources for the SHIP Resource Center, they have deficient information about LTCI and need a better relationship with DOIs and cross-training.
- Ms. Burns gave an example with regard to the use of smart disclosures designed for policyholders that help policyholders figure out which option is better based on consideration of individual aspects such as their gender, marital status, age, and financial condition. For example, she said it would not be appropriate for a younger policyholder to drop inflation protection. She said a married couple with identical coverage may determine they do not need identical coverage based on their age and gender. They may need less coverage for the male and more coverage for the female, to balance the premium for both.

Ms. Cude said there will be a CIPR research report on this project. She said that she and Ms. Burns have some thoughts on revisions to the RBO Consumer Notices Checklist that they will share with the Task Force. She said they hoped to also do research directly with consumers.

Commissioner White said the research indicated financial planners routinely advise clients not to accept the RBO because the benefits are such a great value in terms of the premium they are paying. For policyholders who have the inflation protection or benefits of, for example, \$800,000, they may or may not need that benefit. He said some insurers are asking for the third or fourth round of increases, and these may be significant. He said the rate of policyholders taking the RBO is increasing.

Commissioner White reminded state insurance regulators of the work of the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup. The three work products focused on RBOs are intended to help states with their regulatory review of RBOs and consumer notices. These include the RBO Principles Document, which is focused on guidance for state insurance regulators in evaluating RBO offerings and to products focused on RBO Consumer Notices, the RBO Consumer Notices Principles Document, and the RBO Consumer Notices Checklist. All are

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Attachment One

available on the Task Force's web page. Some of the issues consumers are facing could be benefited from state insurance departments' use of this guidance and the checklist. Commissioner White encouraged state insurance regulators to incorporate the checklist and the guidance into their review of consumer notices.

Commissioner White said a key question in how the Task Force moves forward is if there is more that state insurance departments can do to help the communication flow between insurers and the LTCI policyholder who receives rate and RBO notices. The goal of any further research is to gather information that can help this Task Force make decisions on whether the work that has been accomplished so far is making a difference, and if not, what more can be done. This could start with getting feedback from the state insurance regulators. NAIC staff could conduct a survey to states to ask about their use of the RBO guidance and checklists, whether they are seeing any improvements in the notices that they are reviewing within their departments, and what kind of feedback they are giving to their insurers that improve these communications.

Commissioner White said that feedback may help inform more focused research conducted by the CIPR that reaches out directly to consumers to get some quantitative feedback on how certain recommended changes in consumer communications would impact consumer responses.

Jeff Czajkowski (NAIC) gave an example of additional research. He said the RBO Consumer Notices Checklist has different components, and it is uncertain how effective any one of those would be in consumer decisions. He suggested an experimental setting where a certain number of respondents could be provided information, something from the checklist, while other respondents are not provided the same information. Then the CIPR tests how the respondents' choices differed. As the CIPR moves through testing different components, it can see which components work and which ones do not. Mr. Czajkowski said this is a type of test used in behavioral economics. He said it would be helpful to hear from the Task Force what components to test.

Commissioner White said the timing of this research is long-term and requires resources. At the earliest, it could possibly start in 2023 and since research takes time to complete, ultimately it could be completed over a couple years. The first step would be for NAIC staff to give some consideration to what would be included in a survey and when an appropriate time would be to send that survey, given states may just be starting to use the RBO checklist and guidance.

Commissioner Wing-Heier asked for an explanation of the two-year timeline and how relevant would it be after two years. Mr. Czajkowski said the testing would be a series of tests. Assuming staff resources are available, an individual experiment could be researched in a three- to six-month time frame. The research would be an iterative process. He said the CIPR can only test so much at one point in time to be careful of treatment vs. controls. The two-year time frame is a series of experiments.

Birny Birnbaum (Center for Economic Justice—CEJ) said one piece of research should be to determine why consumers are taking an RBO, e.g., because it is a better deal for that consumer. If most consumers are saying it is a better deal, that has different implications than if 95% of consumers say they cannot afford the rate increase under any circumstance. He said that while the research described is relevant, important, and may be useful, the age of the policyholders and how long they have held their policy has a dramatic impact on the responses, the decision making and the ability to make decisions. He said as the Task Force thinks about different studies, consider whether that that can be expanded and inferred to any population or whether it is unique to the sample being tested. Mr. Czajkowski said that because the experiment would be a hypothetical situation, the CIPR can place people in any one of those settings that the Task Force wants to test. The CIPR would include in the introduction to the experiment the context in which they are making the decision. For example, the CIPR would tell them they are an 86-year-old person in a certain income and living situation. There are drawbacks to hypothetical situations, but because it is hypothetical, the CIPR can include controls. This is standard practice in behavioral economics.

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Attachment One

Having no further business, the Long-Term Care Insurance (EX) Task Force adjourned.

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TO: Scott White, Chair, and Michael Conway, Vice Chair; NAIC Long-Term Care Insurance (EX) Task Force

CC: Jeff Johnston, NAIC Staff Support

FROM: Bonnie Burns and Brenda Cude, NAIC Consumer Representatives

RE: Suggested Revisions in NAIC's *Checklist for Premium Increase Communication*

Date: August 18, 2022

Thank you for the opportunity present our research to the Long-Term Care Insurance Task Force on August 12, 2022. We appreciated the opportunity to engage with the Task Force.

At the conclusion of our presentation, we indicated that insights from our research suggested some revisions in NAIC's *Checklist for Premium Increase Communication*. The attached indicates our recommended revisions.

## Checklist for Premium Increase Communications

**Adopted by the Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup 11/19/21**

### AUTHORITY

The Long-Term Care Insurance Reduced Benefit Options (RBO) (EX) Subgroup is composed of regulators from 17 state insurance departments. It has been tasked with assisting the Long-Term Care Insurance (EX) Task Force in completing the following charge:

*Identify options to provide consumers with choices regarding modifications to long-term care insurance (LTCI) contract benefits where policies are no longer affordable due to rate increases.*

The Long-Term Care Insurance (EX) Task Force (Task Force) adopted the Long-Term Care Insurance RBO Communication Principles. The Long-Term Care Insurance RBO EX Subgroup has been charged with developing a complementary checklist that can be leveraged by state regulators and Long-Term Care Insurance insurers.

### INTRODUCTION

This checklist is intended to establish a consistent approach to drafting and reviewing Long-Term Care Insurance RBO policyholder communications. The checklist can be used as guidance and does not carry the weight of law or impose any legal liability.

State regulators who consider the checklist excessive, deficient, or not focused on issues specific to consumer experiences in their state are encouraged to modify the checklist to suit the needs of the Department.

Leveraging the checklist could enable insurers and state regulators to mitigate consumer confusion and complaints, improve the quality of consumer communications, and ensure that consumer communications:

- Read in a clear, logical, not overly complex manner.
- Present options [or examples of options](#) fairly and without subtle coercion.
- Include appropriate referrals to external resources, definitions, disclosures, and visualization tools.

**The Task Force RECOMMENDS** that state regulators adapt the checklist to reflect their state regulations, laws, or statutes and -use the checklist when reviewing filed Long-Term Care Insurance RBO Communications.

**CALLS ON** all insurance companies to consider the checklist when developing reduced benefit option policyholder communications in the event of a rate increase.

## Checklist for Premium Increase Communications

<b>Insurer name:</b>	
<b>Date of filing:</b>	
<b>Product form:</b>	
<b>Tracking number(s) SERFF <i>rate</i> filing:</b>	
<b>Tracking number(s) SERFF <i>form</i> filing:</b>	

Yes	No	N/A	SERFF FILING	Page Reference and Filing Notes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Does the filing contain all required materials -including: policyholder communication, supplemental FAQ, graphs, illustrations, website screenshots (expected if communication refers policyholder to website for more information)?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Has actuarial review of the rate increase been completed?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Will notice of the rate action be mailed at least 45 days prior to the policyholder anniversary date (or billing date if state law allows)?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Have all new innovative RBO options presented in the communication been clearly explained in the filing? Have they been vetted by policy and actuarial staff?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Do reviewers understand any variable information that appears in the communication?	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Were state-specific or contract-specific pre-rate increase filing notification procedures followed? For example: VT has insurers notify consumers of rate increases when filed in addition to notification Y before effective date. PA posts filed rate increase details on their website.	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>READABILITY AND ACCESSIBILITY</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Is the communication easy to follow? Does it flow logically? Does it display the essential information and/or the primary action first (followed by the nonessential information)? Is the primary message of the communication presented first and clearly worded?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Are all technical insurance terms clearly explained in the communication?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Are all technical terms used consistently throughout the communication?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Is the communication in an easily readable font? For example: Is the type -at least 11-point_type?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Does the communication use headings to help the reader find information easily?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Is white space (margins, lines spacing, and spacing between paragraphs) sufficient and consistent?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Are tables, charts, and other graphics, easy to read and understand? (See question 18 for reference).	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Are the grade level and reading ease scores appropriate according to state readability standards?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. <u>Is it clear which</u> <del>Are</del> reduced benefit options <u>are available to the policyholder</u> <del>clear and not misleading</del> ? <u>If the reduced benefit options are examples, is that clear?</u> <del>For example:</del> Are there side-by-side illustrations <del>of options compared with current benefits</del> <u>showing how the RBOs impact the policy benefits and premiums?</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. Does the communication <del>ex</del> include diminished contrast features that may make it harder to read? Examples include: <ul style="list-style-type: none"> <li>• Use of Italics</li> <li>• Narrow margins (top and bottom less than 1.5 inches)</li> <li>• All caps (all bold is acceptable)</li> <li>• Difficult to read text (fonts other than Sans Serif or Courier)</li> <li>• Different colors throughout</li> <li>• Small font</li> </ul> Reviewers should aim to review these communications in the size and contrast in which a consumer would see them; a print test may be beneficial.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. If FAQs are included, are they succinct and easy to understand?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. Does the communication include notice that policyholders with disabilities and policyholders for whom English is not a first language can request ongoing accommodations that will enable them to read online and written materials and notices?	

			For example, accessibility of its online and written material to all interested parties, including those with disabilities such as blindness or macular degeneration deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these.	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>IDENTIFICATION</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Does the communication <del>answer what is happening</del> clearly indicate that its purpose is to inform the consumer of a rate increase and that they have options to reduce that increase?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Does the communication answer why the consumer is receiving a rate increase?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Does the communication reflect negatively on the Department of Insurance? <u>Does the communication confirm that the Department of Insurance has approved the rate increase?</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Does the communication indicate when the rate increase will be effective?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Does the communication clearly indicate the policyholder has options? <u>Does the communication clearly indicate whether the RBOs listed are the policyholder's only options or if they are examples of options? If the identified RBOs are examples, are they clearly described as such throughout the communication? If the identified RBOs are examples, does the communication clearly indicate how the policyholder can learn about other examples?</u>	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Does the communication clearly indicate how the consumer may elect an option? Does the election documentation allow the consumer to clearly indicate his or her choice? Does the election form description of options match the description of options found earlier in the communication, such that consumers will not be confused looking at the election form? <a href="#">Does the communication make it clear if there is a deadline to elect an option? If there is no deadline, does the communication avoid creating a false sense of urgency to act? Is the deadline a reasonable period of time?</a>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Does the communication clearly explain that the consumer is not being singled out for the increase?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>COMMUNICATION TOUCH AND TONE</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. Does the communication remind consumers to reflect on the original reason they bought the policy?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. Does the communication express -an understanding of the difficulty of evaluating choices?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. Is there a statement telling consumers how to contact the insurer for more information or help understanding their options?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Are the options represented fairly? Options are <b>not</b> presented fairly if one option is emphasized, mentioned multiple times or bolded when the other options are not.	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Are words used that could influence a policyholder’s decision, such as <i>must</i> or <i>avoid</i> ? For instance, consider demonstrating immediacy by using the word “now” and avoiding words like “must.” Consider “manage an increase” instead of “avoid an increase.”	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>CONSULTATION AND CONTACT INFORMATION</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. Is the insurer’s consumer service number easy to find? Is it clear what hours and days consumer service is open? Regulators may consider testing the phone number to ensure it connects easily to live company representatives without long wait times. <a href="#">Regulators may want to determine if company representatives in other countries have sufficient language skills and <del>lack</del> speak without strong accents that might make them difficult for older people to understand.</a>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	32. Are website links accurate and functional?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	33. Does the Insurer encourage consumers to consult with multiple sources to include any of the following: Financial advisor, producer, state SHIP program (where applicable) with the state-specific name of the program or trusted family member?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	34. Does the Insurer encourage consumers to consult the Department of Insurance?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	35. Does the communication encourage consumers to consult with a tax advisor <a href="#">or someone who could advise as to the impact on eligibility for public benefits or tax consequences of any refunded amounts</a> if	

			the reduction options include a cash buy out or could cause loss of Partnership status?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS - PRESENTATION</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	36. Does the communication have a clearly worded, descriptive title or subject line? For example: <b>Your Long-Term Care Premiums Are Increasing.</b>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	37. Are the options included with the rate increase notification communication? Is it clear <u>if the options are examples and, if so,</u> that the policyholder can ask for additional options?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	38. Are the number of options <u>or examples of options</u> presented reasonable? If there are more than 5, engage with insurer to understand what is being presented	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	39. Is <u>it clear if the policyholder has</u> the right to reduce coverage at any time <del>of a policyholder's choosing clear</del> ? Are the instructions about how to do that clear?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	40. Is there enough information to make a decision? If other sources are referenced like videos, websites, etc. are they supplemental education materials or are they required sources to choose an option?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS – PAST RATE ACTIONS</b>	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	41. Does the communication include a statement that premiums may increase in the future? Is it clear that any future increase will include RBOs? Is the plan for filing future rate increases disclosed and clear?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	42. Does the communication include a 10-year nationwide rate increase history for this and similar forms?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	43. Does the communication disclose the policy is guaranteed renewable and clearly explain guaranteed renewable?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS – WINDOW OF TIME TO ACT</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	44. Does the communication indicate what the reader must do to elect an option and provide a deadline to do it?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	45. If options -are only available during the decision window, is that limitation clear to consumers?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	46. Does the communication indicate what happens if the policyholder does not send payment? For example, if the policy lapses within 120 days, does it advise Contingent Benefit Upon Lapse will apply, if applicable?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS – CURRENT BENEFITS</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	47. Does the communication include all- the following applicable information? Current policy benefits (daily benefit, elimination period, current lifetime maximum benefit in dollars, inflation option, partnership status)?	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	48. If current benefits have an inflation option, does the communication clearly explain the impact that changes to this inflation option may have on benefits now and in the future?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS – PERSONAL DECISION</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	49. Can the insurer confirm policyholders will see only those options <a href="#">or examples of options</a> that are available to them (and not be shown options that are not available to them)?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	50. Does the communication prompt the policyholder to consider their personal situation, such as: current age, <a href="#">gender</a> , health conditions, financial position, availability of caregivers, spouse or partner impacts, and potential need for and cost of care?	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS – VALUE OF OPTIONS</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	51. <del>Is</del> <a href="#">Does</a> the narrative describing the Contingent Nonforfeiture (CNF) and other limited benefit options <a href="#">make it</a> clear that there is a reduction in the current policy’s LTC benefits? The narrative does not have to include the dollar value for CNF.	
<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>UNDERSTANDING OPTIONS – IMPACT OF DECISION</b>	<b>Page Reference and Filing Notes</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	52. Is there a prominent statement telling policyholders they can maintain their current benefits by paying the increased premium?	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	53. Do the options reflect the impact of <a href="#">changing</a> , removing or reducing the inflation option on the growth or reduction of future benefits?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	54. <a href="#">Is there a declarative statement about whether</a> dropping <a href="#">or adjusting</a> inflation protection results in the loss of <a href="#">some or all of the</a> accumulated benefit amount, <del>is that clearly explained?</del>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	55. For phased-in increases: Is there a table with all phase-in dates and premium amounts if no RBO is selected? Does the communication clearly state if RBO(s) are limited to only the first rate increase or will be available during each phase of the rate increase?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	56. For phased-in increases, are there communications sent at least 45 days before each phase of the increase?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	57. Does the communication disclose that all reduction options require careful consideration and may not be equal in value?	
<a href="#">Yes</a>	<a href="#">No</a>	<a href="#">N/A</a>	<b><a href="#">UNDERSTANDING OPTIONS – OTHER</a></b>	<b><a href="#">Page Reference and Filing Notes</a></b>
			58. <a href="#">Does the notice include a reminder to the policyholder to keep the notice and attach it to the policyholder’s long-term care insurance policy? Does the notice encourage the policyholder to keep the policy and related documents in an easily accessible location (not a safe deposit box) and inform the appropriate individuals about where the policy can be found?</a>	

			<a href="#">59. Does the notice include a reminder that the policyholder can identify a third party to be notified if premiums aren't paid and information about how to make that election?</a>	
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