



Draft date: 3/6/23

*Virtual Meeting  
(in lieu of meeting at the 2023 Spring National Meeting)*

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

Monday, March 13, 2023

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

**ROLL CALL**

Michael Conway, Chair	Colorado	Grace Arnold	Minnesota
Andrew R. Stolfi, Vice Chair	Oregon	Chlora Lindley-Myers	Missouri
Mark Fowler	Alabama	Troy Downing	Montana
Lori K. Wing-Heier	Alaska	Eric Dunning	Nebraska
Barbara D. Richardson	Arizona	Scott Kipper	Nevada
Alan McClain	Arkansas	Marlene Caride	New Jersey
Ricardo Lara	California	Jennifer Catechis	New Mexico
Andrew N. Mais	Connecticut	Mike Causey	North Carolina
Trinidad Navarro	Delaware	Jon Godfread	North Dakota
Karima M. Woods	District of Columbia	Judith L. French	Ohio
Michael Yaworsky	Florida	Glen Mulready	Oklahoma
Gordon I. Ito	Hawaii	Michael Humphreys	Pennsylvania
Dean L. Cameron	Idaho	Elizabeth Kelleher Dwyer	Rhode Island
Amy L. Beard	Indiana	Larry D. Deiter	South Dakota
Doug Ommen	Iowa	Cassie Brown	Texas
Vicki Schmidt	Kansas	Jon Pike	Utah
Sharon P. Clark	Kentucky	Kevin Gaffney	Vermont
James J. Donelon	Louisiana	Scott A. White	Virginia
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

NAIC Support Staff: Jane Koenigsman/Jeffrey C. Johnston

**AGENDA**

1. Consider Adoption of its 2022 Fall National Meeting Minutes Attachment One  
—*Commissioner Michael Conway (CO)*
2. Hear a Report on Long-Term Care Insurance (LTCI) Industry Trends and Other Updates—*Fred Andersen (MN)*



3. Receive Comments and Consider Adoption of Proposed Edits to the Checklist for Premium Increase Communications  
—*Commissioner Michael Conway (CO)*
4. Discuss Any Other Matters Brought Before the Task Force  
—*Commissioner Michael Conway (CO)*
5. Adjournment

Attachment Two

## Draft Pending Adoption

Draft: 12/6/22

Long-Term Care Insurance (EX) Task Force  
Virtual Meeting (*in lieu of meeting at the 2022 Fall National Meeting*)  
November 30, 2022

The Long-Term Care Insurance (EX) Task Force met Nov. 30, 2022. The following Task Force members participated: Scott A. White, Chair (VA); Michael Conway, Vice Chair (CO); Lori K. Wing-Heier (AK); Alan McClain (AR); Mark Fowler represented by Yada Horace (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 represented by Kathleen Nakasone (HI); Doug Ommen represented by Kim Cross (IA); Dean L. Cameron (ID); Dana Popish Severinghaus represented by Shannon Whalen (IL); Amy L. Beard represented by Scott Shover (IN); Vicki Schmidt (KS); Sharon P. Clark (KY); James J. Donelon represented by Tom Travis (LA); Gary D. Anderson (MA); 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 (MO); Troy Downing represented by Susan Brown (MT); Mike Causey represented by Ted Hamby (NC); Eric Dunning represented by Martin Swanson (NE); Russell Toal (NM); Barbara D. Richardson (NV); Judith L. French (OH); Glen Mulready (OK); Andrew R. Stolfi represented by TK Keen (OR); Michael Humphreys (PA); Elizabeth Kelleher Dwyer represented by Megan Mihara (RI); Michael Wise (SC); Larry D. Deiter (SD); Carter Lawrence represented by Bill Huddleston (TN); Cassie Brown represented by Brian Riewe (TX); Jon Pike (UT); Kevin Gaffney (VT); Mike Kreidler (WA); Nathan Houdek (WI); Allan L. McVey represented by Joylynn Fix (WV); and Jeff Rude (WY).

### 1. Adopted its Oct. 31 and Summer National Meeting Minutes

Commissioner White said the Task Force conducted an e-vote that concluded on Oct. 31 to adopt its 2023 proposed charges.

Superintendent Toal made a motion, seconded by Commissioner Mulready, to adopt the Task Force's Oct. 31 (Attachment One) and Aug. 12 (*see NAIC Proceedings – Summer 2022, Long-Term Care Insurance (EX) Task Force*) minutes. The motion passed unanimously.

### 2. Discussed Proposed Edits to the Checklist for Premium Increase Communications

Commissioner White said at the Summer National Meeting, consumer representatives presented research that was conducted with the NAIC Center for Insurance Policy and Research (CIPR). The research included interviews with financial planners on reduced benefit options (RBOs) offered to consumers. The Task Force agreed to survey state insurance departments to ask how RBO guidance and consumer notice checklists have been applied by the state insurance departments. The survey will be conducted in 2023 to help inform the CIPR how to proceed with future research in this area.

Commissioner White said consumer representatives submitted proposed edits to the Checklist for Premium Increase Communications (Attachment Two). Brenda J. Cude (University of Georgia) and Bonnie Burns (California Health Advocates—CHA) summarized their proposed edits to the checklist. Burns said the edits focus primarily on readability. She said notices should be clearer when providing examples of the individual's options. Two additional items, #58 and #59, are recommended to address what is important for policyholders to keep with their policies and keeping policies and documents in a place that is accessible and somewhere that someone knows where they are kept. It also addresses ensuring someone has access to safety deposit boxes where documents are held if the insured becomes impaired.

## Draft Pending Adoption

Commissioner Richardson asked if any thought was given to how much information was included in consumer notices since the checklist is long with 59 items. Burns said she has seen both extremes where companies did well and others where the length was intimidating or there was only a statement to call the company about making changes. She said state insurance regulators should look at the notices and determine how much legal information is necessary. How options are displayed and that they are clear is important to consumers. Notices should be clear about what the options are and that they are not the only options an individual has. Dr. Cude said the 59 items are not a list of what information should be in the notices, but they also include how the information should be presented.

The Task Force formed an ad hoc group including California, Pennsylvania, and Vermont to work with consumer representatives to review and draft any further edits to the checklist. Hearing no objection, Commissioner White said after the ad hoc group completes its review, the proposed edits will be released for a 30-day public comment period from that point in time.

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

Andersen said the Valuation Analysis (E) Working Group has taken a lead role in identifying issues related to insurance reserves and solvency. Long-term care insurance (LTCI) and asset adequacy have been the Working Group's core work. The Working Group is monitoring the following industry trends:

- Morbidity trends.
- Cost-of-care inflation trends, especially in blocks of policies with 5% inflation-protected benefits.
- Benefit utilization.
- Potential shifts in care.
- The impact of these issues on asset adequacy protections.
- The potential impact on increased reserves needed to cover future claims.

Andersen said the Working Group is planning to integrate the reviews of insurers' filings under *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51) with a review of complex assets under *Actuarial Guideline LIII—Application of the Valuation Manual for Testing of Adequacy of Life Insurer Reserves* (AG 53) where insurers fall within the scope of both guidelines.

Andersen said the rise in interest rates and the wind-down of COVID-19 protocols are creating offsetting but still uncertain impacts to the finances of LTCI blocks. The investment returns are expected to rise and will be beneficial for the finances of LTCI blocks. Where blocks have inflation protection, the cost of care inflation could mostly or entirely offset the increase in investment returns. Cost-of-care inflation may be hitting home care and facility care differently. People may be regaining comfort with facility care, or there could be pent-up demand for facility care, but any significant shift between the use of home care and facility care will need to be monitored for its financial impact. Andersen said he appreciates industry members' assistance in identifying these offsetting trends. He said he appreciates the coordination with the California team of LTCI evaluation actuaries and the domestic regulators of companies with LTCI business to help ensure efforts on reserves and solvency are not duplicated. Commissioner White asked what the biggest takeaway is. Andersen said the primary area of focus is the cost-of care inflation creating financial stress and uncertainty, especially on companies with 5% inflation protection policies. He said all other issues are areas to monitor, as opposed to being a serious concern.

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

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Andersen said the Multistate Actuarial (MSA) Associate Program involves assisting the MSA team in rate reviews, and it provides an opportunity for training. State insurance department staff are encouraged to join and may reach out to Andersen if interested.

### 5. Heard a Report on its Planned Dec. 14 Regulator-to-Regulator Meeting

Commissioner White said the Task Force will meet at the Fall National Meeting on Dec. 14 at 8:00 a.m. in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.

Commissioner White said the Task Force surveyed the five companies that participated in the MSA Pilot Project over the last two years. Neither the names of the companies nor the results of the survey can be disclosed because it was gathered with the understanding that it would remain confidential for state insurance regulators only. The Task Force will be looking at the results of the Pilot as one step in understanding how the insurance departments use the MSA Advisory Report recommendations and understanding variances. The hope is that the Task Force can develop some overall takeaways and lessons learned. Next year, the Task Force will continue its efforts to encourage the use of the MSA process. This feedback may give us additional insight into how states and insurers can get the most benefit out of the MSA process. The MSA is an evolving process. It is improving, and Task Force members want to see more participation from states and insurers. A critical part of that is the feedback the Task Force has received so far, and it welcomes additional input in the coming year.

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\_113022\_Minutes.docx

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 Comments and Drafting Group Responses in Comment Balloons  
 Edits since Exposure are highlighted yellow.

## 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 ~~was~~ 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~~ ~~and this~~ complementary checklist ~~Nov. 19, 2021. The , that checklist was amended March 13, 2023. The principles and checklist 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.

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*Comments and Drafting Group Responses in Comment Balloons*

*Edits since Exposure are highlighted yellow.*

**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.

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**Checklist for Premium Increase Communications**

<b>Insurer name:</b>	
<b>Date of filing:</b>	
<b>Product form:</b>	
<b>Tracking number(s) SERFF rate filing:</b>	
<b>Tracking number(s) SERFF form 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? <a href="#">(e.g., rate guarantees)</a>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Do reviewers understand any variable information that appears in the communication?	

**Commented [A1]:** ME Comment: ME suggested various non-substantive spacing and formatting edits.

**Commented [A2R1]:** Drafting Group: Formatting will be addressed by NAIC staff before republishing on the website.

**Commented [A3]:** Patrick Cantillo Comment: Based on our experience with SHIP, I offer three comments.

- 1.Does the communication clearly describe the “default” option that will be given effect if the policyholder does not respond by the applicable deadline?
- 2.Does the communication include objective indicators by which the relative values of the options can be compared? Examples would include for each option:
  - 1.Premium,
  - 2.Maximum Policy Value (MPV),
  - 3.Maximum Daily Benefit (MDB) by site of care if different,
  - 4.Maximum Benefit Period,
  - 5.Elimination Period, and
  - 6.Inflation factor
- 3.Consideration should be given to “bang for the buck” value indicators for each option, such as:
  - 1.MPV/premium,
  - 2.Gross Premium Valuation/premium, and
  - 3.MDB/premium.

**Commented [A4R3]:** Drafting Group: Comment #1 is addressed with a new question in #44. The topics proposed in comments 2 & 3 had been previously discussed by the RBO Subgroup and due to opposition, were not included in the checklist. No further changes recommended.



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<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 ✕ 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).	

- Commented [A5]:** Wayne Enstice comment: Has the insurer taken steps internally to mitigate the severity of rate hikes (such as diverting funds across product lines)?
- Commented [A6R5]:** Drafting Group: This comment is related to the review of the RBO rather than the consumer notice. Refer this to the LTCl Actuarial WG.
- Commented [A7]:** Wayne Enstice comment: Has the insurer guaranteed that a profit margin is not included in the rate hike filing?
- Commented [A8R7]:** Drafting Group: This comment is related to the review of the RBO rather than the consumer notice. Refer this to the LTCl Actuarial WG

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<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> <u>reduced benefit options</u> <del>are available to the policyholder</del> <u>clear and not misleading?</u> <u>If the reduced benefit options are examples specific to the policyholder, is that clear?</u> <u>For example:</u> 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 <u>avoid</u> <del>include</del> 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>• <u>Difficult</u> to read text (<u>typefaces</u> <u>fonts</u> other than Sans Serif or Courier)</li> <li>• Different colors throughout</li> <li>• Small font</li> </ul> <p><u>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.</u></p>	
<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	

**Commented [A9]:** NC Comment: Item 15 would be better if no arbitrary examples are allowed, and the company provides exact options based on their policy and rate increase. We suggest removing the language in Item 15 that states "If the reduced benefit options are examples, is that clear?" and replacing it with "Only options pertaining to the policyholder should be illustrated with results specific to the rate increase and that individual."

**Commented [A10R9]:** Drafting Group: Exposed additions referencing "examples" were removed throughout the document.

**Commented [A11]:** WA Comment: Items 23 and 37 include a similar question. Can they be consolidated?

**Commented [A12R11]:** Drafting Group: Edits were made to #23 to remove certain exposed additions.

**Commented [A13]:** ME comment: Does that really stand out as the "most readable" serif typeface? And there are a lot of unreadable sans-serif options available.

**Commented [A14R13]:** Drafting Group: No change. Generically, a sans serif font (one without the decorative strokes) is considered easier to read than a serif font. Using a sans serif font is a common recommendation to improve readability.

**Commented [A15]:** ME Comment: I like this.

**Commented [A16R15]:** Drafting Group: No edits necessary.

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			<p>can request ongoing accommodations that will enable them to read online and written materials and notices?</p> <p>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.</p>	
Yes	No	N/A	IDENTIFICATION	Page Reference and Filing Notes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>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, if applicable, that they have options to reduce that increase?</p>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>20. Does the communication answer why the consumer is receiving a rate increase and when the rate increase will be effective?</p>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>21. Does the communication reflect negatively on the Department of Insurance?</p>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>22. Does the communication accurately reflect the role of the Department of Insurance in approving rate increases? <del>Does the communication indicate when the rate increase will be effective?</del></p>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>23. Does the communication clearly indicate the policyholder has options? Does the communication clearly indicate whether the RBOs listed are the policyholder's only options? or if they are examples of options Can the insurer confirm policyholders will see only those illustrated options that are available to them (and not be shown options that are not</p>	

**Commented [A17]:** WA Comment: Does every rate increase come with RBO? If not, this checklist needs to be clear.

**Commented [A18R17]:** Drafting Group: Added "if applicable" to the sentence.

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			available to them? 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 options?	
<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?	
<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.	

**Commented [A19]:** NC Comment: Based upon the concern noted above in item 15, we suggest removing the language in Item 49 "or examples of options."

**Commented [A20R19]:** Drafting Group: Exposed additions referencing "examples" were removed throughout the document. #49 is combined with #23.

**Commented [A21]:** WA Comment: Proposed addition "Is there a guarantee period associated with the RBO option?"

**Commented [A22R21]:** Drafting Group. WA's Proposed sentence was not added to this question. Rate guarantees are associated with an RBO and would be included in the description of the option. Rate guarantee was added as an "e.g.," to question #4.

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<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. <u>Regulators may want to determine if company representatives in other countries have sufficient language skills and speak without strong accents that might make them difficult for older people to understand. For example, test calls could be made to understand consumer experience.</u>	
<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 <u>or someone who could advise as to the impact on eligibility</u>	

**Commented [A23]:** NC Comment: The Department welcomes Items 18 and 31 and notes that companies typically do not currently offer further assistance in policyholder communications if English is not the first language or if there is a disability.

**Commented [A24R23]:** Drafting Group: No changes needed.

**Commented [A25]:** WA Comment: How do regulators determine this? Could this be subjective and varied one regulator from another?

**Commented [A26R25]:** Drafting Group: Example test calls was added.

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			<a href="#">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 <a href="#">that if the options are examples and, if so,</a> that the policyholder can ask for additional options?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	38. Are the number of options <a href="#">or examples of options</a> 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 <a href="#">it clear if the policyholder has</a> the right to reduce coverage at any <del>time 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 <a href="#">AND FUTURE</a> RATE ACTIONS</b>	

**Commented [A27]:** WA Comment: It appears this should be Future rather than Past Rate Actions.

**Commented [A28R27]:** Drafting Group: added "And Future"

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<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? <u>Does the communication indicate what happens if they do not elect an option? Is the deadline in compliance with state law regarding notification periods in advance of a rate increase. a reasonable period of time? If there is no deadline, does the communication avoid creating a false sense of urgency to act?</u>	
<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?	

**Commented [A29]:** NC Comment: We suggest clarifying or defining the "reasonable period of time" in Item 44.

**Commented [A30R29]:** Drafting Group: Removed "reasonable period of time"

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Yes	No	N/A	UNDERSTANDING OPTIONS – CURRENT BENEFITS	Page Reference and Filing Notes
<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?	
Yes	No	N/A	UNDERSTANDING OPTIONS – PERSONAL DECISION	Page Reference and Filing Notes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<del>Can the insurer confirm policyholders will see only those options or examples of options that are available to them (and not be shown options that are not available to them)?</del>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	49. Does the communication prompt the policyholder to consider their personal situation, such as: current age, <u>gender</u> , health conditions, financial position, availability of caregivers, spouse or partner impacts, and potential need for and cost of care?	
Yes	No	N/A	UNDERSTANDING OPTIONS – VALUE OF OPTIONS	Page Reference and Filing Notes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	50. <del>Is</del> Does the narrative describing the Contingent Nonforfeiture (CNF) and other limited benefit options <u>make it</u> clear that there is a	

**Commented [A31]:** NC Comment: Based upon the concern noted above in item 15, we suggest removing the language in Item 49 "or examples of options."

**Commented [A32R31]:** Drafting Group: Exposed additions referencing "examples" were removed throughout the document. #49 was combined with #23.

**Commented [A33]:** ME Comments: I would like to see disclosure of the estimated actuarial value of each option alongside the monthly premium, but I suppose that's too much to ask.

**Commented [A34R33]:** Drafting Group: This topic had been previously discussed by the RBO Subgroup and due to opposition, was not included in the checklist. No further changes recommended.



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			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"/>	51. 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"/>	52. Do the options reflect the impact of removing or reducing the inflation option on the growth or reduction of future benefits?	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	53. <u>Is there a declarative statement about whether</u> dropping <u>or adjusting</u> inflation protection results in the loss of <u>some or all of the</u> accumulated benefit amount, <del>is that clearly explained?</del>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	54. For phased-in increases: <del>Is there a table with all</del> <u>state approved</u> 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"/>	55. 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"/>	56. Does the communication disclose that all reduction options require careful consideration and may not be equal in value?	
<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>UNDERSTANDING OPTIONS – OTHER</u>	<u>Page Reference and Filing Notes</u>

**Commented [A35]:** WA Comment: Proposed addition: "Are the increases pre-approved or will the increase for each phase be filed separately in the future?"

**Commented [A36R35]:** Drafting Group: Added "state approved" to address WA's comment.

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			<p><u>57. Does the notice include a reminder to the policyholder to keep the notice or any other documents related to this policy with 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 (<b>not</b> a safe deposit box) and inform the appropriate individuals about where the policy can be found?</u></p>	
			<p><u>58. 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 <b>election</b>?</u></p>	

**Commented [A37]:** ME Comment: Good Addition

**Commented [A38R37]:** Drafting Group: No edits needed.