

Long-Term Care Insurance (EX) Task Force  
October 25, 2019  
Summary Report on Current Workstream Activities

Prepared by NAIC Staff:

Conference calls of the workstream groups have been conducted in regulator-to-regulator session pursuant to either paragraph 8 (consideration of strategic planning issues related to federal legislative and regulatory matters or international regulatory matters) and/or paragraph 3 (discussion of specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.

### **#1 RATE REVIEW PRACTICES**

The workstream's focus is to evaluate different rate review methodologies used by states in order to develop a recommendation for a consistent national approach to multi-state long-term care insurance (LTCI) rate reviews.

Workstream members have focused first on developing a framework of guidelines for selecting a recommended approach that would include a refined set of selection principles and criteria for guiding the development of a recommended rate increase review methodology for the multi-state review structure. As reported at the Summer National Meeting, the actuarial methodologies of multiple states will be considered, as well as consideration of a new modified approach to facilitating the review process that may use aspects of the Interstate Insurance Product Regulation Commission (Compact), or a multistate examination approach.

Workstream Lead: Commissioner Michael Conway (CO)  
NAIC Support Staff: Eric King

### **#2 RESTRUCTURING TECHNIQUES**

The workstream's focus is on exploring restructuring techniques to address potential inequities between policyholders in different states and possible alternatives for protecting policyholders from guaranty fund caps.

The workstream has discussed its objective and provided an opportunity for members to brainstorm. The workstream is focused first on developing a strategic plan that outlines an approach to how possible options and solutions will be identified and considered by the group.

Workstream Lead: Commissioner Kent Sullivan, represented by Doug Slape (TX)  
NAIC Support Staff: Dan Daveline

### **#3 REDUCED BENEFIT OPTIONS**

This workstream is focused on evaluating reduced benefit options (RBO) offered to consumers in lieu of premium rate increases, evaluating the quality of consumer notices regarding RBOs, and determining an appropriate regulatory response.

Workstream members are conducting a survey of states' RBO review practices. The detail of the survey and its results are confidential due to the nature of the content. The workstream intends to use the survey results as one element in developing its recommendation to the Task Force concerning RBO review and approval best practices. Evaluation of the results will be conducted over the next several months.

Workstream Lead: Commissioner Jessica Altman (PA)

NAIC Support Staff: Eric King

#### **#4 RESERVE VALUATION ISSUES**

The workstream is focused on multi-state coordination/communication of the review of the financial condition of LTCI insurers and actuarial reviews of LTCI blocks, including evaluating how states can properly balance rate increase assumptions with reserving assumptions.

The workstream has affirmed that review is being accomplished through the ongoing actuarial review work of the Valuation Analysis (E) Working Group (VAWG) in coordination with solvency monitoring by the Financial Analysis (E) Working Group (FAWG). This work is considered confidential under paragraph 3 (discussion of specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.

Workstream Lead: Commissioner Steve Kelley, represented by Fred Andersen (MN)

NAIC Support Staff: Jane Koenigsman

#### **#5 NON-ACTUARIAL CONSIDERATIONS**

The workstream is focused on evaluating the variances between states use of non-actuarial factors and review considerations in approving rate increases, and, if possible, develop a model set of non-actuarial practices.

The workstream will be evaluating a limited scope survey of department policies and practices. The details of the survey and its results are confidential due to the nature of the content. The workstream intends to use the survey results in determining next steps in its strategy for developing recommendations.

Workstream Lead: Commissioner Mike Kreidler (WA)

NAIC Support Staff: Jeff Johnston

#### **#6 DATA CALL DESIGN AND OVERSIGHT**

The workstream is focused on exploring whether additional data is needed to support the work of the Task Force and/or to refine its understanding of the financial impact of different states' practices.

The workstream has had discussions and continues to make progress towards its evaluation of the need for additional data. This work is considered confidential under paragraph 3 (discussion of specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings.

Workstream Lead: Commissioner Scott White, represented by Doug Stolte (VA)

NAIC Support Staff: Dan Daveline and Eric King