To: Director Anita G. Fox (MI), Chair of Health Insurance and Managed Care (B) Committee

From: Paul Lombardo (CT), Chair of Long-Term Care Insurance (B) Task Force

Date: September 12, 2024

Re: Recommendation for 2025 Charges

In 2024, the Long-Term Care Insurance (B) Task Force and its Working Group have made important progress on the work of improving the multistate actuarial (MSA) rate review process and conducting research through the NAIC Center for Insurance Policy and Research (CIPR) on reduced benefit options (RBOs) and consumer notices. Based on this progress, it is recommended continued work on these topics will be better served by and align with the work of the Senior Issues (B) Task Force and the Health Actuarial (B) Task Force in 2025.

The following is recommended.

* The Long-Term Care Insurance (B) Task Force should disband as of December 31, 2024.
* Charges related to ongoing work on the MSA rate review process as outlined in the *Long-Term Care Insurance Multistate Rate Review Framework* (MSA Framework) should be moved to the Health Actuarial (B) Task Force in 2025.
* Charges related to research and maintenance of guidance for RBO’s should be moved to the Senior Issues (B) Task Force in 2025
* The Long-Term Care Actuarial (B) Working Group should report to the Health Actuarial (B) Task Force in 2025.

The following are suggested amendments to those charges.

Recommendation for 2025 Charges:

**Move the following charge to Health Actuarial (B) Task Force.**

1. Monitor and evaluate the progress of the multistate actuarial (MSA) rate review process as outlined in the Long-Term Care Insurance Multistate Rate Review Framework (MSA Framework), and make modifications as appropriate. Monitor state insurance department rate review actions subsequent to the implementation of the MSA Framework and MSA rate review recommendations.

**Move the following charge to Senior Issues (B) Task Force.**

* 1. Monitor and evaluate options to help consumers manage the impact of rate increases, including monitoring ongoing research, ~~an~~ evaluating ~~onof~~the use and impact of ~~previously adopted~~ guidance for states regarding reduced benefit options (RBOs) and making modifications, as appropriate.

**Amend charges and have the Working Group report to the Health Actuarial (B) Task Force.**

The Long-Term Care Actuarial (B) Working Group will:

1. Provide recommendations, as appropriate, to address issues and provide actuarial assistance and commentary with respect to model requirements for appropriate long-term care insurance (LTCI) rates, rating practices, and rate changes.
2. Continue to develop health insurance reserving requirements (VM-25, Health Insurance Reserves Minimum Reserve Requirements) using a principle-based reserving (PBR) framework.
3. Develop LTCI experience reporting requirements in VM-50, Experience Reporting Requirements, and VM51, Experience Reporting Formats.
4. ~~Develop a uniform actuarial approach to multistate long-term care insurance (LTCI) rate increase reviews for use in the LTCI Long-Term Care Insurance Multistate Rate Review Framework (MSA Framework) in support of completing Long-Term Care Insurance (B) Task Force Charge~~ Monitor and evaluate ~~the progress~~ ~~of~~ the actuarial approach used in the multistate actuarial (MSA) rate review process as outlined in the MSA Framework document, and make modifications, as appropriate. ~~Monitor state insurance department rate review actions subsequent to the implementation of the MSA Framework and MSA rate review.~~

If you have any questions, please contact myself, or NAIC Staff, Jane Koenigsman ([jkoenigsman@naic.org](mailto:jkoenigsman@naic.org)).