In November of 2021, in response to an earlier request by the NAIC Long-Term Care Actuarial (B) Working Group (LTCAWG), the American Academy of Actuaries (Academy) and the Society of Actuaries Research Institute (SOARI) submitted a report recommending new mortality and lapse tables for use in valuation of long-term care insurance (LTCI) liabilities.

The LTCAWG is seeking comments on the recommended tables with particular emphasis on the following areas:

1. The Academy recommendation includes optional use of adjustment factors for marital status and risk class. However, the Academy is not recommending specific factors. Should only the aggregate mortality and lapse tables be adopted, or should the use of marital status and risk class adjustments be allowed?
2. If regulators allow for the use of the adjustments for marital status and risk class, what guardrails should be put in place, if any, for the use of these factors? What kind of testing, certification, and/or demonstration should be required to support the use of such factors?
3. If regulators allow the use of the adjustments for marital status and risk class, should companies be required to use them for all blocks of LTCI, or should companies be given a choice to use aggregate tables for some blocks and tables with adjustments for marital status and/or risk class for other blocks?
4. If regulators allow the use of the adjustments for marital status and risk class, should companies be required to use them consistently for mortality and lapse (either use the aggregate table for both mortality and lapse, or use adjusted table for both mortality and lapse)?
5. The valuation mortality table recommended by the Academy includes 11 years of mortality improvement from the middle of the experience period (2008-2011) through year-end 2020. Should valuation use a static table, or would it be more appropriate to use generational mortality, including future mortality improvements, similar to the valuation tables used for annuities?

Please submit comments to Eric King at the NAIC (eking@naic.org) by [insert date]