2024 Spring National Meeting  
Phoenix, Arizona

LONG-TERM CARE INSURANCE (B) TASK FORCE  
Saturday, March 16, 2024  
10:30 – 11:15 a.m.  
Sheraton—Valley of the Sun Ballroom C–E—Level 2

ROLL CALL

Andrew N. Mais, Chair  
Grace Arnold, Vice Chair  
Mark Fowler  
Lori K. Wing-Heier  
Barbara D. Richardson  
Ricardo Lara  
Michael Conway  
Trinidad Navarro  
Karima M. Woods  
Gordon I. Ito  
Dean L. Cameron  
Amy L. Beard  
Doug Ommen  
Sharon P. Clark  
Timothy J. Temple  
Robert L. Carey  
Kathleen A. Birrane  
Gary D. Anderson  
Chlora Lindley-Myers  
Eric Dunning  
Scott Kipper  
Connecticut  
Minnesota  
Alabama  
Alaska  
Arizona  
California  
Colorado  
Delaware  
District of Columbia  
Hawaii  
Idaho  
Indiana  
Iowa  
Kentucky  
Louisiana  
Maine  
Maryland  
Massachusetts  
Missouri  
Nebraska  
Nevada  
D.J. Bettencourt  
Justin Zimmerman  
Alice T. Kane  
Mike Causey  
Jon Godfread  
Judith L. French  
Glen Mulready  
Andrew R. Stolfi  
Michael Humphreys  
Elizabeth Kelleher Dwyer  
Michael Wise  
Larry D. Deiter  
Carter Lawrence  
Cassie Brown  
Jon Pike  
Kevin Gaffney  
Scott A. White  
Mike Kreidler  
Allan L. McVey  
Nathan Houdek  
Jeff Rude  
New Hampshire  
New Jersey  
New Mexico  
North Carolina  
North Dakota  
Ohio  
Oklahoma  
Oregon  
Pennsylvania  
Rhode Island  
South Carolina  
South Dakota  
Tennessee  
Texas  
Utah  
Vermont  
Virginia  
Washington  
West Virginia  
Wisconsin  
Wyoming

NAIC Support Staff: Jane Koenigsman/David Torian

AGENDA

1. Consider Adoption of its 2023 Fall National Meeting Minutes  
   —Paul Lombardo (CT)  
   Attachment One
2. Hear an Update on Long-Term Care Insurance (LTCI) Industry Trends—*Fred Andersen (MN)*

3. Receive an Overview of a Consumer Notices and Reduced Benefit Options (RBOs) Research Project—*Brenda Rourke (NAIC)*

4. Consider Adoption of the Amendment to *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves* (AG 51)—*Fred Andersen (MN)*

5. Consider Adoption of the Long-Term Care Actuarial (B) Working Group Report and Discuss Related Multistate Actuarial (MSA) Rate Review Matters
   A. Long-Term Care Actuarial (B) Working Group Report, including minutes—*Fred Andersen (MN)*
   B. Single MSA Rate Review Methodology—*Paul Lombardo (CT)*
   C. 80+ Attained Age, Long Duration, and Cumulative Increases—*Paul Lombardo (CT)*

6. Discuss the Timeliness of LTCI Rate Reviews—*Fred Andersen (MN)*

7. Discuss Any Other Matters Brought Before the Task Force—*Paul Lombardo (CT)*

8. Adjournment
The Long-Term Care Insurance (EX) Task Force conducted an e-vote that concluded Nov. 16, 2023. The following Task Force members participated: Michael Conway, Chair, (CO); Lori K. Wing-Heier (AK); Mark Fowler (AL); Alan McClain represented by Jimmy Harris (AR); Barbara D. Richardson (AZ); Ricardo Lara represented by Tyler McKinney (CA); Andrew N. Mais represented by Paul Lombardo (CT); Karima M. Woods represented by Philip Barlow (DC); Trinidad Navarro represented by Sally Frechette (DE); Michael Yaworsky represented by Christina Huff (FL); Doug Ommen represented by Andria Seip (IA); Dean L. Cameron (ID); Amy L. Beard represented by Tina Nacy (IL); Grace Arnold represented by Fred Andersen (MN); Chlora Lindley-Myers represented by Carrie Couch (MO); Eric Dunning represented by Lindsay Crawford (NE); Mike Causey represented by Jackie Obusek (NC); D.J. Bettencourt (NH); Alice Kane (NM); Scott Kipper (NV); Judith L. French represented by Dale Bruggeman (OH); Michael Humphreys represented by Shannen Logue (PA); Elizabeth Kelleher Dwyer (RI); Larry D. Deiter (SD); Cassie Brown represented by R. Michael Markham (TX); Jon Pike represented by Tanji Northrup (UT); Scott A. White (VA); Kevin Gaffney represented by Anna Van Fleet (VT); Mike Kreidler represented by John Haworth (WA); Nathan Houdek represented by Amy Malm (WI); Allan L. McVey (WV); and Jeff Rude (WY).

1. **Adopted its Oct. 5 and Summer National Meeting Minutes**

The Task Force conducted an e-vote that concluded Nov. 16 to: 1) adopt its Oct. 5 minutes, in which it adopted its 2024 proposed charges; and 2) its July minutes, in which it adopted its Spring National Meeting minutes.

A majority of the Task Force members voted in favor of adopting its Oct. 5 (Attachment One) and its Summer National Meeting minutes. The motion passed.

Having no further business, the Long-Term Care Insurance (EX) Task Force adjourned.
RBO Letters and Choice Options

Brenda Rourke PhD
Jeff Czajkowski PhD
Florent Nkouaga PhD
Brenda Cude PhD

March 5, 2024
Research Overview

A choice experiment:
To better understand what is driving consumer RBO choice and to test certain aspects of the communication checklist and guidance.

Research Questions:
1. What is driving consumer choice to accept a premium increase or select an RBO?
2. How do perceptions of the letter impact choice?

Developing the materials:
• A review of 36 RBO letters
• Small group meetings
• Task force feedback
Research Study to Assess Both

Place Survey Respondents into LTCI hypothetical context. Prior rate increase.

Receive RBO letter that follows Communication Principles (treatment)

Elicit RBO Choice Intention

Assess influence of treatment

Receive RBO letter that does not follow Communication Principles (control)

Account for other choice factors (e.g., financial literacy)

Statistically model RBO choice intention to identify drivers of choice and influence of treatment
Research Questions and Parameters

1. What is driving consumers choice?
2. How do perceptions of the letter impact choice?

The Survey:
- 1000 respondents
- Age 55 and over
- Across 50 states (oversample in states where there are more LTCI policyholders).

Note: The survey also includes demographic information and SES data.

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<th>Measure</th>
<th>Questions</th>
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<td>Theory of Planned Behavior</td>
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<td>- Attitudes</td>
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<td>- Normative Beliefs</td>
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<td>- Control Beliefs</td>
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<td>- Referent</td>
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<td>Perceptions of the Letter</td>
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<td>- Emotions</td>
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<td>- Understanding/Awareness</td>
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<td>Prior Experience LTCI</td>
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<td>Risk Perception and Tolerance</td>
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<td>Self-efficacy</td>
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Thank you!

Brenda Rourke - blrourke@naic.org
Jeff Czajkowski - jczajkowski@naic.org
MEMORANDUM

TO: Paul Lombardo (CT), Chair of the Long-Term Care Insurance (B) Task Force
FROM: Kevin Dyke (MI), Chair of the Health Actuarial (B) Task Force
DATE: February 20, 2024
RE: Modification to AG 51

The Health Risk-Based Capital (E) Working Group established the Health Test Ad Hoc Group in 2018 to review the health test language within the Annual Statement Instructions due to inconsistencies in reporting of health business across the different blanks, as well as a significant amount of health business reported on the life and fraternal blank. Through the evaluation and discussion of changes to the health test, there was a question brought up as to whether an entity would still be required to comply with Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves (AG 51) requirements for long-term care insurance (LTCI) business if the entity moved from the life blank to the health blank. In consideration of the Health Risk-Based Capital (E) Working Group’s request for a sentence to be added to AG 51 to clarify the applicability to insurers filing health blanks, the Long-term Care Actuarial (B) Working Group adopted the following wording Nov. 20, 2023 that would indicate that regardless of the blank the entity files, AG 51 filing is required by the entity if the criteria stated in the Guideline are met. The Health Actuarial (B) Task Force adopted the addition, in red italicized font, to AG 51 on Feb. 20, 2024. The Health Actuarial (B) Task Force requests the Long-Term Care Insurance (B) Task Force review and consider adopting the modification.

3. Scope
This Guideline shall apply to a company with over 10,000 inforce lives covered by long-term care insurance contracts as of the valuation date, regardless of which Annual Statement blank (Health, Life/Accident/Health & Fraternal, or Property/Casualty) the company files with its domiciliary state’s insurance regulatory authority. All long-term care insurance contracts, whether directly written or assumed through reinsurance are included. Accelerated death benefit products or other combination products where the substantial risk of the product is associated with life insurance or an annuity are not subject to this Guideline.