

**From:** [Julie Fairbanks](#)  
**To:** [King, Eric](#)  
**Cc:** [White, Scott A.](#); [Blauvelt, Julie](#); [Smith, Greg](#); [Shea, David](#); [Chupp, Craig](#)  
**Subject:** RE: Long-Term Care Actuarial (B) Working Group Exposure - Comments due June 2  
**Date:** Friday, June 2, 2023 4:41:22 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[LTC\\_Increase\\_UT.docx](#)  
[Revised\\_Ideas\\_-\\_improved\\_MSA\\_actuarial\\_approach.docx](#)

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Good Afternoon Eric,

Virginia has the following questions and comments on the 2 attached documents.

### **Utah Proposal for an Alternative Approach to LTCI Rate Increase Reviews**

Questions that we would want answered to more fully evaluate this method:

1. How are past rate increases taken into account in the UT method?
2. In some cases, a company has certified under rate stability at a previous rate increase that it will not seek further increases unless experience deteriorates. How would the UT method take this into consideration?
3. How do the allowable rate increases under this method compare to the TX and MN method for real-life examples?
4. What do you do in those circumstances where the data to calculate historical "life-years" is not available?

### **Ideas for a single, improved MSA actuarial approach**

- Item 1: This excludes any type of disabled or active life reserves, correct?
- Item 2: What does "The resulting rate increase should be reasonable" mean?
- Integrated factoring for a company's financial condition should either be omitted or broken out separately for optional consideration. This approach may enhance the reception of the MSA by those states who do not endorse approving additional amounts for financial condition.
- Items 2 & 3. Subjectivity on a state level remains a potentially divisive topic. Considerations such as average age, state enrollment, previous submissions, etc. can be difficult to ignore in the final decision. There are several terms in sections 2 and 3 that can be interpreted subjectively so any technical expansion on these terms may be helpful whether it be by offering a definition, calculation of a range of action, etc.
- VA is generally in favor of moving toward a single MSA actuarial approach and looks forward to future discussions to develop this concept further.

We look forward to the discussion next week.

Julie

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**From:** King, Eric <[EKing@naic.org](mailto:EKing@naic.org)>  
**Sent:** Thursday, May 11, 2023 2:31 PM  
**To:** King, Eric <[EKing@naic.org](mailto:EKing@naic.org)>  
**Subject:** FW: Long-Term Care Actuarial (B) Working Group Exposure - Comments due June 2

Please see the attached proposal from Utah in response to the request for comments below.

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**From:** King, Eric <[EKing@naic.org](mailto:EKing@naic.org)>  
**Sent:** Tuesday, May 2, 2023 9:20 AM  
**To:** King, Eric <[EKing@naic.org](mailto:EKing@naic.org)>  
**Subject:** Long-Term Care Actuarial (B) Working Group Exposure - Comments due June 2

*To: Long-Term Care Actuarial (B) Working Group Members, Interested Regulators, and Interested Parties*

Please provide comments on the attached ideas for a single, improved MSA actuarial approach.

Comments should be submitted to [Eric King](#) by Friday, June 2.

Thanks,

**Eric J. King, FSA, MAAA**  
Senior Health Actuary  
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