

Draft date: 3/1/24

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

NAIC Support Staff: Jane Koenigsman/David Torian

AGENDA

1. Consider Adoption of its 2023 Fall National Meeting Minutes Attachment One
—Paul Lombardo (CT)



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)* Attachment Two
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)* Attachment Three
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

Draft Pending Adoption

Draft: 11/21/23

Long-Term Care Insurance (EX) Task Force
E-Vote (in lieu of meeting at the 2023 Fall National Meeting)
November 16, 2023

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 Scott Shover (IN); Vicki Schmidt represented by Nicole Boyd (KS); Sharon P. Clark (KY); James J. Donelon (LA); Kathleen A. Birrane represented by Brad Boban (MD); Timothy N. Schott (ME); Anita G. Fox represented by Tina Nacy (MI); 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 (see *NAIC Proceedings – Summer 2023, Long-Term Care Insurance (EX) Task Force*) minutes. The motion passed.

Having no further business, the Long-Term Care Insurance (EX) Task Force adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/EX CMTE/LTCITF/2023 Fall NM/minutes/LTCI(EX)TaskForce_111623_Minutes.docx



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.

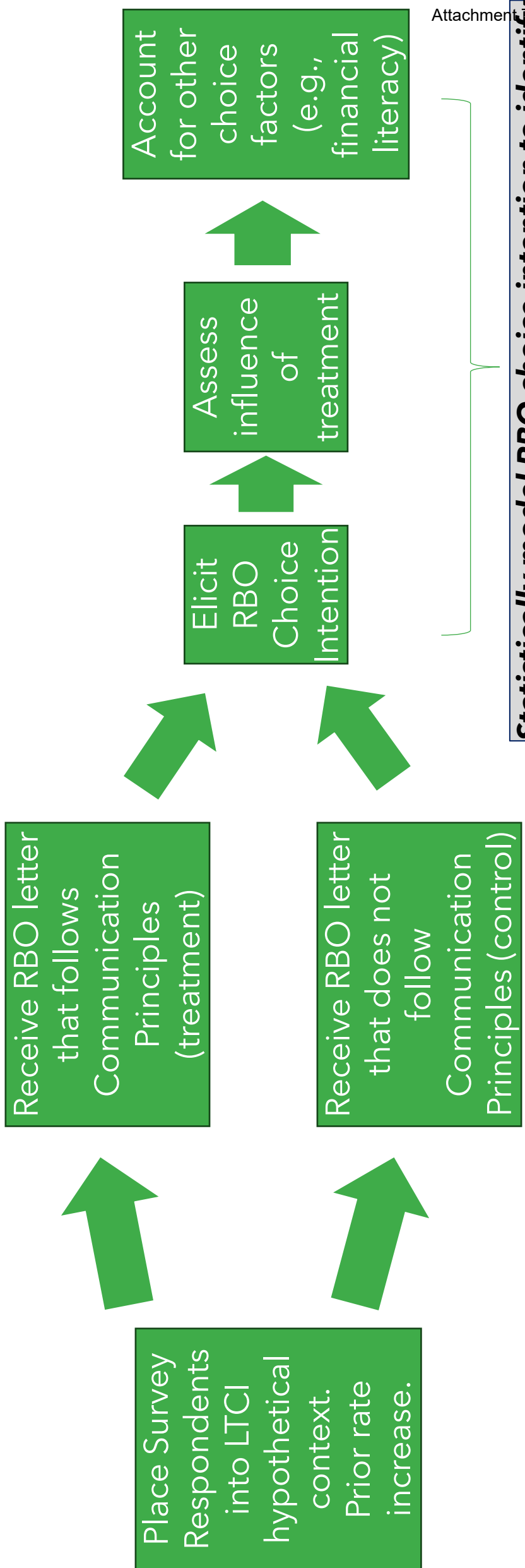
Research Questions:

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



Attachment 200

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.

Measure	Questions
Theory of Planned Behavior	
- Attitudes	2
- Normative Beliefs	2
- Control Beliefs	2
- Behavioral Control	2
- Referent	3
Perceptions of the Letter	
- Emotions	7
- Understanding/Awareness	5
Financial Knowledge	10
Knowledge of DOI	4
Prior Experience LTCI	8
Risk Perception and Tolerance	8
Self-efficacy	11

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.