

Accident & Health Working Group.

The call addressed new business for 2004. The discussion was based on the memo from Guenther Ruch (WI) to Mike Batte (NM; Chair, A&HWG) that was included in the November, 2003 LHATF mailing. Each of the items in the memo related to possible changes in the NAIC Long Term Care Insurance Model Act.

The call was focused on determining which topics warranted consideration for action by the working group in 2004. The state in parentheses next to each item is the state that raised the issue.

In summary,

1. Require pooling (FL)

This item is primarily related to rate increase filings. Most states agreed that this topic warranted further discussion.

2. Require filing of annual rate certifications (FL)

This is currently required in Florida. The requirement is intended to be relatively low maintenance and requires only that the actuary certify that rates and experience were given proper review for the year. Some concerns were expressed as to whether some states had sufficient manpower to devote to reviewing additional filings. There was general consensus that this topic warranted further discussion.

3. Rate increase filings shall include experience data by year (FL)

Most committee members agreed that this was worth discussing further, but some were careful to clarify that specific support of the idea should not be inferred. It was pointed out that since the companies writing LTC Industry representatives must already produce such information in order to perform experience analysis on their business, such a requirement should not be particularly burdensome. Industry representatives expressed concerns about the possible variations in the requirement among the 50 states.

4. Rate increase filings to include projection both with and without the increase (FL)

Many members were noncommittal on this topic, but agreed that further discussion was warranted. Industry representatives offered a mild objection to what may be needless paperwork.



5. If a company chooses to continue the same form after the effective date of a new rule, all insureds under the form are protected by the rule (FL)

Minnesota expressed opposition to this change. Other members were hesitant.

6. If a rate increase exceeds 15 percent, all the insurer's individual experience on long term care policy forms issued in the state shall be pooled together to project future claims experience and the combined experience would be subject to loss ratio requirements (CA)

It was agreed that this topic was a subset of item #1.

7. Nonforfeiture values must increase in proportion to the number of years the policy is in force (CA)

The item was tabled due to insufficient information. It will be taken up again at the next working group call or meeting.

8. Revise formula for contingent benefit upon lapse for limited pay products (FL)

There was general agreement that this idea should be given consideration.

9. Allow interest discount "no less than" the valuation rate. *The model says "at the valuation rate."* (FL)

This item was deferred to the next call/meeting of the working group due to insufficient time.

10. Require information on discontinued forms within 5 years of discontinuance (FL)

This item was deferred to the next call/meeting of the working group due to insufficient time.

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