

**LTC Minimum Reserve Standards Subgroup of the AHWG**

The purpose of this call was to continue the discussion on new LTC experience forms to replace the forms currently in the Annual Statement Blank.

There were 14 states represented on the conference call, as well as representatives from AAA, ACLI, AHIP, and industry.

While it wasn't stated specifically in this call, it appeared from the examples given that these new forms will be part of the 12/31/2008 Annual Statement. It appears that data as of 1/1/2006 will be requested so companies will want to start gathering data in 2006.

One of the focuses of the conference call was on improving the definitions in the proposed forms and instructions to the forms. For example, it was proposed that the definitions of facility only, home health care only, and comprehensive LTC be consistent with the definitions in the LTC model regulation.

It was proposed by FL and generally agreed to by the rest of the states that the definition of group LTC be limited to true group, again as defined in the model regulation, and that policies reported as individual will include group policy forms which have individual underwriting and other characteristics of individual policies.

The third definitional question that was raised was how to handle LTC riders to life and annuity contracts. It was proposed that acceleration type riders not be included in the forms but that continuation riders would be included in the forms.

The AAA committee that is helping to draft the forms will work with the definitions and present revisions to the instructions to the Subgroup at the Fall NAIC meeting.

The Subgroup will also discuss at the Fall meeting the implications of eliminating durational data and by-state data from the proposed forms. Additional by-state data will be available in the proposed revisions to the Policy Exhibit, so the discussion will include if that information will meet the state's requirements for by state information. Durational data will be needed to calculate the information in the forms, so that information could be obtained if requested.

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