

A&H Working Group – Revised LTC Experience Forms

There was a call today on the proposed replacement of the current LTC Experience Forms with new forms. The Blanks Committee had circulated these proposed new forms last year. Comments were received that lead the Blanks Committee to refer the Forms back to the A&H Working Group.

Julia Philips, MN, chaired today's call. As a result of the additional review, the new proposed effective date will be 2008 instead of 2007. The consensus on the phone call was to reactivate the sub-committee that worked on the Forms to address issues raised by and comments received by the Blanks committee. The goal will be to have the final changes available to the Blanks Committee before the June NAIC meeting.

One issue was the presentation of the material on the State Pages. Another concern was whether there should be a separate actuarial signature for these forms. A third issue was a Form 4 proposed by the ACLI.

Forms 1, 2, and 3 were designed specifically for stand-alone LTC policies or LTC riders with an identifiable premium. Benefits are exempt from being included in the form if they are acceleration of death benefit and the present value of the LTC benefit is less than 10% of the total benefits. The purpose of Form 4 was to exclude from Forms 1, 2, and 3 any acceleration-type benefit, even if the policy failed the 10% criteria. Those policies that failed the 10% criteria would be reported in Form 4.

The question seems to be if there are any policies that would be reported on Form 4. Ms. Philips would like to have more discussion with industry prior to establishing this new form.

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