

A&H Working Group – Revised LTC Experience Forms & other Blanks issues

In 2006 LHATF had proposed revisions to the LTC experience forms. The NAIC Blanks Committee had asked for changes that didn't materially change the proposed forms. Today's call approved the 3 experience forms from last year along with 2 additional forms. (Probably because there was nothing controversial on the agenda, a quorum was not achieved. Formal approval will come from an email poll of committee members.)

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 an acceleration of death benefits 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. Form 5 will include state information on earned premiums, incurred claims, and policy counts, which had previously been proposed for a revised state page.

Assuming no further delays, the new forms will be part of the 2008 Annual Statement to be completed by April 1, 2009. Companies need to be aware that the forms require projections based on the 12/31/2007 LTC in force file.

The Blanks Committee had suggested a few other clarifying adjustment to other parts of the annual statement or instructions to A&H portions of the annual statement. No objections were raised on the phone call by regulators or industry representatives. These changes will also go the A&H Working Group for an email poll.

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