

October 15, 2021

Interstate Insurance Product Regulation Commission
444 North Capitol Street, NW
Hall of the States Building
Suite 700
Washington, DC 20001

RE: Commissioner Kreidler’s Alternative to Address the 15% LTC Rate Increase Threshold

Members of the Interstate Insurance Product Regulation Commission:

The American Council of Life Insurers (ACLI)¹ and the American Association of Health Insurance Plans (AHIP)² appreciate this opportunity to provide comments on Washington State Commissioner Mike Kreidler’s alternative to the previously proposed Options to maintain, reduce or eliminate the existing 15% threshold for Compact approval of in-force rate increase requests on individual long-term care insurance products.

We appreciate the Commissioner’s recent submission of a proposal that would separate the in-force rate revision standards from the initial rate standards and then allow states to opt-out of the former set of standards. However, we continue to believe that the best course of action for the Compact is to maintain the existing 15% threshold and adopt Option 1, as stated in our September 13 joint letter.

Notwithstanding, we are concerned about the following language that was added, at the request of the Louisiana Department, to Page 3 of the proposed stand-alone standard for in-force rate changes:

A Compacting State may affirmatively decline to receive an advisory finding of the Interstate Insurance Product Regulation Commission and such decline shall be published on the Commission’s website in a similar manner to Compacting States opting out of Uniform Standards.

¹ The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are dedicated to protecting consumers’ financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI’s 280 member companies represent 95 percent of industry assets in the United States.

² AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

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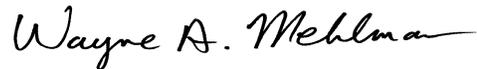
We believe the Compact's advisory reports to the Compacting States on rate increase requests that exceed 15% are beneficial and should not be discouraged via the above language, even if a state ultimately decides not to follow its advice or recommendations. An advisory report contains valuable information that a state should be made aware of when reviewing a proposed rate increase, including whether it is actuarially justifiable. As a result, we do not support the proposed language that would allow states to decline the receipt of these reports.

Thanks again for the opportunity for us to submit these comments, and we would be glad to address them during the Compact's October 19 meeting.

Sincerely,



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Consulting Actuary, AHIP



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Senior Counsel, ACLI



Amanda Herrington
Executive Director, AHIP



Jan Graeber
Senior Health Actuary, ACLI