



LOUISIANA DEPARTMENT OF INSURANCE  
JAMES J. DONELON  
COMMISSIONER

August 11, 2021

Superintendent Elizabeth Kelleher Dwyer  
Chair  
Interstate Insurance Product Regulation Commission

Dear Superintendent Dwyer:

I appreciate the opportunity to comment as the Interstate Insurance Product Regulation Commission and its Management Committee consider the request of South Carolina Director Ray Farmer to amend the individual long-term care Uniform Standards.

Today, for in-force rate increase requests on Compact-approved products which exceed 15%, the Compact Office will conduct an advisory review of the request and issue an advisory report with its recommendation. This advisory report is distributed to the Compacting States who were included on the original Compact-approved individual long-term care insurance product.

My concern focuses on the advisory report which is the work product of a Compact advisory review. I would ask the Commission to consider amending the Uniform Standard to provide the option for Compacting States to affirmatively decline or “opt-out” of receiving advisory reports.

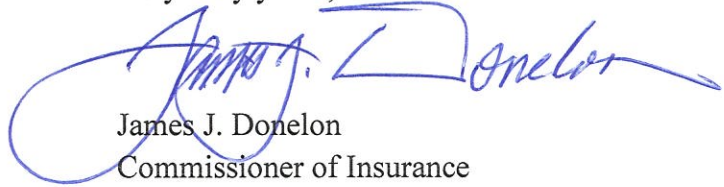
The LDI has several qualified actuaries on staff that review in-force rate change requests. My concern is that an advisory review and report of the Compact Office has no binding effect upon the LDI but may be used to pressure or challenge the LDI when our independent evaluation differs from the recommendation in the advisory report. I am very concerned that the Compact’s advisory reports are of only limited value to Louisiana’s internal review process but provide a clear opportunity for companies seeking to challenge a decision by the LDI.

For this reason, the LDI suggests that the reference to an advisory review and report by the Compact Office in the rate filing standard provide an affirmative way for a Compacting State to decline this option or service. Here is a suggestion:

Current language with amendments underlined: A Compacting State is not required to give deference or weight to the advisory review report in performing its applicable review and has the right to affirmatively decline to participate in or receive advisory review reports under this section and the declined participation or receipt shall be published on the Commission’s website in a similar manner to Compacting States opting out of Uniform Standards.

Louisiana is a strong supporter of the Compact and its Commission. This request stems solely from the LDI wanting the flexibility to not participate in or receive the findings of an advisory review so that its actuarial staff can independently evaluate those rate increase requests which fall within its approval authority.

Very truly yours,

A handwritten signature in blue ink, appearing to read "James J. Donelon", with a large, stylized flourish on the left side.

James J. Donelon  
Commissioner of Insurance  
Louisiana Department of Insurance