

Agenda Item 2. Discuss Model Regulation/Bulletin Change Items #2 Nonforfeiture Benefits – Contingent Benefit On Lapse (Page 5)

Pete Weber, Ohio, Chair of the Actuarial Working Group (AWG), asked Alice Fontaine, IIPRC to go over the staff alternative language that had been requested at the prior call, to remove references to prior filing requirements.

The Group agreed to recommend that the PSC accept the alternative language proposed by IIPRC for this item.

Agenda Item 3. Discuss Model Regulation/Bulletin Change #4 Phased In Rate Schedule Increase (Page 14) and Discussion Memo – Attachment A

Alice Fontaine gave a brief outline of how the inclusion of the model language would change the IIPRC's current understanding of the procedure surrounding a rate increase request.

The group discussed the Model's allowance of approving a rate increase less than a "certified" (or actuarially justified) rate increase. The members on the call agreed that there is no actuarial/technical reason to object to this change or to impose additional restrictions on the rate increase approval process. The group also thought the language was clear that the 15% threshold in the standards would be applied to the requested/approved level of rate increase, not the "certified" level of rate increase.

The group reviewed the draft language and agreed that the Model language referencing "the best interest of the policyholder" was not appropriate for an IIPRC standard and should be stricken.

The drafting note was also reviewed and no concerns were noted. It was confirmed that a "phase-in" relates to a single rate increase request/approval, and does not describe a series of separate rate increase requests.

No other changes are proposed with respect to the language in the IIPRC report.

The Group also discussed the recent work of the NAIC with respect to inclusion of disclosures in the LTC Guidance Manual. In response to a member's question, IIPRC staff clarified that the disclosure notice in item 7 of the Model Regulation change items in the LTC 5 Year review Report was an advance notice that a policy may be subject to rate increase in the future, not the notice of rate increase that was recently adopted by the Senior Issues (B) Task Force.

Agenda Item 4. Receive background information from IIPRC office and begin discussion on remaining referred Model Regulation/Bulletin Changes

- a. #5 *Actuarial Memorandum Requirements For Rate Schedule Increase Filings* (page 18)
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- b. *#6 Rate Schedule Increases – Requirements for Portion of Business To Which the Increase Applies (Page 21)*
- c. *#8 Actuarial Certification Requirements - Composite Margins and Reserves (Page 31)*
- d. *#9 Actuarial Memorandum Requirements (Page 35)*

The Group was asked to review the above items for the next call. In general, the Model language was copied into the standards, with applicable references changed. It is anticipated that the NAIC LTC Guidance Manual will provide the additional direction with respect to new items in the Actuarial Memoranda (items #5 and #9).

Agenda Item 5. Any other matters.

The next AWG meeting will be June 28, 2016. The AWG will meet every other week until further notice to finalize its recommendations to the PSC.
