

Agenda Item 2. Discuss proposed draft of revisions to Rate Filing Standards for Individual Long-Term Care Insurance to include requirements for dollar-for-dollar benefits, and determine the AWG recommendation to the PSC

Pete Weber, Ohio, Chair of the Actuarial Working Group (AWG), asked IIPRC staff to outline the approach that was used to incorporate the unique dollar-for-dollar provisions from the Kentucky/ACLI draft into a new provision within the existing standards. In particular, specific sections of the current standards were identified as not applying to dollar-for-dollar products, a new section was added for dollar-for-dollar products that addressed the unique requirement for initial and rate increase filings; and the additional definitions from the Kentucky draft were added. Kentucky was on the call to answer questions and clarify areas where IIPRC staff may have misunderstood the requirements it had suggested. The AWG was asked to review the draft with the objective of having a document suitable for exposure for public comment. It is expected that all parties would have opportunity to provide comments to the suggested additional requirements, and that specific provisions of the draft would be discussed in more detail after receiving these comments. The Public PSC call is August 10, 2016. In particular, the AWG was asked to suggest edits or add specific requests for comments in particular areas in order to generate more specific comments at that public call.

Specific items of the draft suggested for change prior to exposure were in the nature of the following:

- Incorporation of the 5-year changes already recommended to the PSC, including both Model changes and technical corrections;
- Change to the language describing the patterns of rate schedules to avoid the use of “increase” so as to distinguish automatic changes to rates resulting from changes to base policy mechanics from filings for rate increases to the initially filed rates;
- Separate the two concepts in the drafting note that was added to section 4.

In addition, some technical items were also discussed, for which members were encouraged to provide public comments:

- Comments on patterns/structures of allowable premium schedules, and if these should be considered “modified rate schedules”;
- Comments on the definition of rate increases in circumstances where the \$/\$ rider premium scale was expressed as a function of the declared, nonguaranteed based policy COI rates.

A call of the AWG is expected to be scheduled if requested by the PSC after consideration of comments from the public call. No date is scheduled at this time.
