Long-Term Care (LTC) Credibility Monograph Work Group

Update to NAIC LTC Actuarial Working Group

March 27, 2015

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Chairperson, State LTC Task Force
Agenda

- Review of work group objectives
- Updated outline of the monograph
- Progress since last update and timeline
Review of Work Group Objectives

- Establish the applicability of ASOP 25: *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages* to LTC insurance

- Establish the importance of incorporating credibility procedures into LTC-related actuarial work

- Develop a framework for advancing actuarial practice in this regard

- Define next steps
I. Executive summary

II. Introduction – need(s) for actuarial practice

III. Current status of industry actuarial practice and documentation

IV. Understanding LTC insurance – misestimation and volatility risks

V. Credibility theory – background/introduction
VI. Considerations in the selection of credibility procedures for LTC

VII. Impact of credibility procedures used and resulting attributed credibility on the presentation of results

VIII. Next steps
Progress Since Last Update and Timeline

- Executive summary drafted
- Credibility theory section being revised based on initial peer review
- Submit monograph for final peer review in April
- Submit monograph for policy review in May
- Release finalized monograph before NAIC Summer Meeting in August
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