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NEWS RELEASE

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New Academy Issue Brief Looks at Long-Term Care Insurance Premium Increases

WASHINGTON—With half of Americans age 65 and over expected to need some type of long-term care, a new issue brief from the American Academy of Actuaries provides an examination of the process of calculating and reviewing private LTC insurance premium increases.

Produced by the Academy's Long-Term Care Reform Subcommittee, [Understanding Premium Rate Increases on Private Long-Term Care Insurance Policyholders](#) examines:

- What's leading to significant rate increases, including: changes in how care is provided; lower than anticipated investment income for insurers; and data limitations.
- How insurers might determine the need for a rate increase, including factors relating to their jurisdiction, and how the state regulatory process for reviewing and approving increases works.
- Policy lapses and the offering by insurers of benefit reductions or nonforfeiture benefits (the latter being mandatory in some states).
- Alternatives to help offset some or all of a rate increase, such as the optional reductions in the size of future benefit increases that some insurers offer.

The issue brief also explains why premium increases for current and future private LTCI policies might diminish compared to increases for policies issued more than a decade ago. "[I]t is likely that the probability of rate increases on the current generation of LTCI policies will be lower than the probability of rate increases on previous generations," the issue brief concludes. Insurers' growing experience with LTCI, more data to support insurer assumptions, and other changes are expected to dampen increases relative to years past.

Read the issue brief and learn more by visiting the "Public Policy" section at actuary.org.

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About the American Academy of Actuaries

The American Academy of Actuaries is an 18,500+ member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.