



AMERICAN ACADEMY *of* ACTUARIES

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**Status Report of the Long-Term Care Work Group  
To The  
NAIC Senior Issues Task Force and Accident & Health Working Group  
September 2001**

This report was prepared by the American Academy of Actuaries'<sup>1</sup> Long-Term Care Work Group.  
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**Status Report**

1. Our Academy Work Group has tentatively decided that an Actuarial Practice Note would be the best avenue to provide guidance to actuaries filing LTCI rates under the new NAIC LTCI Model Regulation and Draft LTCI Guidance Manual.
2. In considering the definition of "moderately adverse experience" (MAE), we will take into account the following definition of "moderately adverse conditions" in the current draft of the proposed revision of ASOP #22:
  - a. Conditions that include one or more unfavorable, but not extreme, events;
  - b. Events that have a reasonable probability of occurring during the testing period.We will provide examples of MAE.
3. We will try to construct specific examples of steps an actuary might take in developing LTCI rates for filing that would satisfy the requirements of the LTCI Model Regulation. We are preparing an outline of the proposed Practice Note and would appreciate comments from regulators.
4. We are reviewing the Draft LTCI Guidance Manual for any requirements that might be particularly troublesome for completing our project.

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<sup>1</sup> The American Academy of Actuaries is the public policy organization for actuaries practicing in all specialties within the United States. A major purpose of the Academy is to act as the public information organization for the profession. The Academy is non-partisan and assists the public policy process through the presentation of clear and objective actuarial analysis. The Academy regularly prepares testimony for Congress, provides information to federal elected officials, comments on proposed federal regulations, and works closely with state officials on issues related to insurance. The Academy also develops and upholds actuarial standards of conduct, qualification and practice and the Code of Professional Conduct for all actuaries practicing in the United States.