



AMERICAN ACADEMY *of* ACTUARIES

**Status Report of the Long-Term Care Insurance Work Group
To The
NAIC Accident and Health Working Group
December 2001**

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

1. Our Academy Work Group has 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. Considerable progress has been made over the last several weeks. We hope to be able to release the Practice Note as a Draft for comment by the end of January. The Work Group has completed an initial Draft of the Note and it has been reviewed by an additional 11 actuaries who practice in long-term care insurance. A meeting of the Work Group is scheduled in Chicago on December 6 to review the comments of the group of eleven and revise the Draft Note, taking these comments into account. The current Draft describes processes for pricing initial premium rates and premium rate increases for inforce policies, provides examples for applying these processes and contains a question and answer section. It is a little over 10 pages long.
2. We have also been reviewing the Draft LTCI Guidance Manual for any requirements that might be particularly troublesome for completing our project. A few suggestions have been passed to members of the NAIC Health and Accident Working Group of the Life and Health Actuarial Task Force.

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