



AMERICAN ACADEMY *of* ACTUARIES

Status Report of the Academy Long-Term Care Work Group to the NAIC Senior Issues Task Force December 2002

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

The Academy Long Term Care Work Group has made considerable progress toward completing the final draft of an actuarial Practice Note that provides guidance to actuaries filing LTCI rates under the NAIC LTCI Model Regulation relating to rate stability:

- An exposure draft of this Practice Note was released in June 2002, in time for presentation at the Spring Meeting of the Society of Actuaries where it was the focus of two sessions and much discussion.
- This same draft was submitted to the NAIC A&HWG in June 2002 and was the subject of an A&HWG conference call on July 30, 2002 during which the Academy Long Term Care Work Group had the opportunity to hear directly comments from members of the A&HWG concerning the scope and content of the draft Practice Note.
- This same draft was submitted to the NAIC Senior Issues Working Group and status reports were given at the 2002 June and September NAIC Senior Issues Working Group meetings.
- The Academy Long Term Care Work Group has received written and verbal comments from several practicing LTCI actuaries and, in response, will add an additional example of initial pricing to broaden the range of practice considered.

All of these comments and discussions are being considered in developing the final draft of the Practice Note, which is scheduled to be released in January 2003.

¹ 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.