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Contact: David Mendes

Phone: 202.384.2075

Email: mendes@actuary.org

American Academy of Actuaries Examines COVID-19's Potential Impacts on Long-Term Care Insurance

WASHINGTON—A new [issue brief](#) from the American Academy of Actuaries applies actuarial expertise to provide an understanding of how COVID-19 could impact long-term care insurance (LTCI), including LTCI delivery, demand, and markets, as well as new public policy considerations.

“The elderly, who most benefit from long-term care services, have as a group experienced an outsized toll from the COVID-19 pandemic, adding to our sense of need to assess the pandemic’s consequences for long-term care insurance,” said Bruce Stahl, a member of the Academy’s Long-Term Care Reform Subcommittee, which authored *Impact of COVID-19 on Long-Term Care Insurance*.

“Adjustments to underwriting and persistent low interest rates are COVID-19-related impacts already clearly affecting LTCI. More time and experience will tell if there are other consequential effects, such as a shift from facility to home care settings, or increased care needs for COVID-19 survivors.”

COVID-19 could have other meaningful impacts on LTCI, including:

- Mortality and morbidity changes if they affect claim periods and/or claims incidence compared to what was previously expected.
- Changes in the demand/delivery for long-term care services such as the increased use of telehealth.
- Changes in policy lapse rates due to economic conditions or fear of infection in care settings.
- Delays in LTCI regulatory filings or approvals, and/or the introduction of charges or costs affecting insurer margins or insurer solvency of potential concern to regulators.

Read the [issue brief](#) and learn more about the Academy’s work on long-term care issues [here](#).

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The American Academy of Actuaries is a 19,500-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.