Long-Term Care (LTC) Credibility Monograph Work Group

Update to NAIC LTC Actuarial Working Group

April 2, 2016

Warren Jones, MAAA, FSA, FCA
Agenda

- Review of work group objectives
- Summary of the monograph
- Progress since last update
Review of Work Group Objectives

- Identify issues related to LTC Insurance (LTCI) credibility
- Establish the importance of incorporating credibility procedures into LTC-related actuarial work
- Develop a framework for potential research and suggested areas for development of more substantial professional guidance.
- Define next steps
Summary of the Monograph

I. Executive Summary
II. Introduction – Background on Credibility in LTCI
III. Understanding LTCI Misestimation and Volatility Risks
IV. Credibility Theory
V. Considerations in the Selection of Credibility Procedures for LTCI

VI. Effect of Credibility Procedures Used and Resulting Attributed Credibility on the Presentation of Results

VII. Next steps
Progress Since Last Update and Timeline

- To date, all sections of the draft monograph have been:
  - Drafted/re-drafted by various subgroups within the work group;
  - Reviewed and revised on multiple occasions by the collective work group;
  - Subjected to an initial peer review by one of the formal peer reviewers and revised accordingly;
  - Subjected to a formal peer review and revised accordingly; and,
  - Subjected to internal Academy review.

- Questions/comments and proposed edits have been received from the Academy and are in the process of being reviewed by the chairperson.
Staff Contact Information

David N. Linn
Health Policy Analyst
American Academy of Actuaries
1850 M St., NW (Suite 300)
Washington, DC 20036
202-223-8196

linn@actuary.org