CIPR Program:

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December 2019

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Federal Interagency Task Force on LTCI[13]

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to develop policies at the federal level to complement reforms at the state level relating to the regulation of LTCI. The FITF was also directed to coordinate with state insurance regulators and the NAIC. To date, the FITF has reviewed proposals to reform federal laws and regulations relating to regulation of LTCI,
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Panel 3: LTCI Regulatory Initiatives

In LTCI markets, insurers and state insurance regulators have been challenged by unknowns. Longevity and persistency actuarial assumptions on early LTCI products have been proven inaccurate.[14]

What happened?

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- Actuaries assumed more people would drop their coverage, but lapse rates have been extremely low.[15]
- Length of claims is increasing, in part because people with cognitive memory disorders, such as $O]KHLPHU¶V GLVHDVH FDQ OLYH D YHU\ ORQJ WLPH EXW UHTX

Regulatory initiatives

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NAIC groups working on regulatory initiatives

Recognizing the gravity of the threat posed by the current LTCI environment, both to consumers and our state-based system of insurance regulation, the NAIC has designated LTCI as one of its top priorities for 2019. As such, a new working group was formed and several longstanding NAIC working groups have been asked to study and provide guidance on the issue based on their expertise.

The Long-Term Care Insurance (EX) Task Force, *formed in 2019, has been asked to:*

1) Develop a consistent national approach for reviewing LTCI rates that result in actuarially appropriate increases being granted by the states and eliminate cross-state rate subsidization.
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3) Deliver the proposal to the Executive (EX) Committee by the 2020 Fall National Meeting.
5HSRUW WR WKH /RQJ 7HUP &DUH ,QVXUDQFH (; 7DVN)RUFH WR FRRUGLQDW task forces.

The Long-Term Care Insurance (E/B) Task Force *aims to:*

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$VVHVV UHJXODWRU\ FRQVLGHUDWLRQV RQ UDWH LQFUHDVH UH common elements for achieving greater transparency and predictability.
4) Consider product innovations and potential state and federal solutions for stabilizing the LTCI market.

The Senior Issues (B) Task Force *looks broadly at changes in the LTCI market and developed documents:*

1) A list of federal policy changes that Congress could consider in order to increase private LTC ¿QDQFLQJ FRQVXPHU RSWLRQV

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consumers, and others.

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typically driven by adverse reserve development and possible solvency impairments to blocks of LTCI policies have been concerning state insurance regulators. AG 51 was a regulatory response to regulatory FRQFHUQV UHJDUGLQJ WKH ODFN RI VSHFLILF