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Long-Term Care (LTC) Terminations Work Group Update to NAIC LTC Actuarial Working Group

March 27, 2015

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Chairperson, LTC Terminations Work Group



Status

- Mortality update given August 15, 2014
 - Provided actual-to-expected analysis of 1994 GAM and 2012 IAM Basic Table
 - Data limited to top 9 companies by exposure for 1993 – 2006 to address data quality
 - Conclusion that 2012 IAM is a better fit than 1994 GAM



Status (cont.)

■ Progress

- Identified data issue in lapses
- SOA provided new data sets excluding data error
- Work group analyzed lapses from total terminations minus deaths implied from 2012 IAM Basis Table
- Last work group call held March 20



Status (cont.)

■ Next Steps

- Complete review of lapses as total terminations minus deaths implied from 2012 IAM Basis Table
- Provide update at August NAIC meeting
- Draft Report
- Distribute Report by end of 2015



Appendix

- August 2014 Presentation

http://actuary.org/files/LTC_Terminations_Presentation_NAIC_LTCAWG_August_15_0.pdf

- 2012 IAM Basic Table

http://www.actuary.org/pdf/naic/Payout_Annuity_Report_092811.pdf



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