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# Long-Term Care (LTC) Credibility Monograph Work Group

## Update to NAIC LTC Actuarial Working Group

March 27, 2015

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Chairperson, State LTC Task Force



# Agenda

- Review of work group objectives
- Updated outline of the monograph
- Progress since last update and timeline



# Review of Work Group Objectives

- Establish the applicability of ASOP 25: *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages* to LTC insurance
- Establish the importance of incorporating credibility procedures into LTC-related actuarial work
- Develop a framework for advancing actuarial practice in this regard
- Define next steps



# Updated Outline of the Monograph

- I. Executive summary
- II. Introduction – need(s) for actuarial practice
- III. Current status of industry actuarial practice and documentation
- IV. Understanding LTC insurance – misestimation and volatility risks
- V. Credibility theory – background/introduction



# Updated Outline of the Monograph (cont.)

- VI. Considerations in the selection of credibility procedures for LTC
- VII. Impact of credibility procedures used and resulting attributed credibility on the presentation of results
- VIII. Next steps



# Progress Since Last Update and Timeline

- Executive summary drafted
- Credibility theory section being revised based on initial peer review
- Submit monograph for final peer review in April
- Submit monograph for policy review in May
- Release finalized monograph before NAIC Summer Meeting in August



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