

AMERICAN ACADEMY OF ACTUARIES LONG-TERM CARE (LTC) VALUATION WORK GROUP

SOCIETY OF ACTUARIES LONG-TERM CARE (LTC) VALUATION WORK GROUP

PRESENTATION TO NAIC LTC ACTUARIAL WORKING GROUP



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Warren Jones, MAAA, FSA, FCA
Chair, LTC Valuation Work Group

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NAIC Fall Meeting, Austin, Texas– December 6, 2019

Charges to the LTC Valuation Work Group

- Develop a replacement mortality table for LTC active life reserves
 - Based on the 2012 Annuitant Mortality Table
 - Recommend a margin for conservatism
- Develop a replacement lapse table
 - Recommend a margin for conservatism
- Consider developing tables for valuation on total lives basis as well as active lives basis



Progress Since Summer Meeting

- Graduated lapse rates on total lives basis
- Started review of actual-to-expected lapse on total lives basis
- Started review of reasonableness of total terminations on total lives basis
- Developed exposures for active life mortality



Remaining Tasks

- Complete review of actual-to-expected lapse on total lives basis
- Complete review of reasonableness of total terminations on total lives basis
- Develop mortality improvement from mid-point of exposure period, 2008 – 2011, to 2020
- Recommend margins for lapse and mortality
- Develop lapse and mortality on an active lives basis
- Complete Report



Expected Timeline

- Complete development of lapse and mortality on total and active lives bases including margins by Spring 2020 meeting
- Publish Report by Summer 2020 meeting



Additional Information

David Linn
Senior Health Policy Analyst
American Academy of Actuaries

Linn@actuary.org

202-785-6931

