



SOCIETY OF ACTUARIES

Article from:

Long-Term Care News

September 2005– Issue No. 15

LTCI Member Survey—

“The People Have Spoken”

by Philip J. Barackman

Whether you were part of the *vocal minority* who responded to last fall’s LTCI Member Survey, or the *silent majority*, you may be interested in learning about the results, so read on.

Actually, the level of participation was not so bad, as far as surveys go. The survey was distributed by e-mail to all 1,163 LTCI Section members (whether SOA member or not). 259 people opened the link to the survey, 175 answered some questions and 132 completed the entire survey. All answers were included in the results tabulation whether or not the entire survey was completed.

Following are some of the more interesting results, which may help to point the direction for the LTCI Section’s future efforts to be a more valuable resource to its members. To the extent they do not reflect your thinking, and you didn’t participate this time, please use that as an incentive to do so next time!

1. In what ways would you like the LTCI Section to provide value to you?

In terms of providing basic *LTC knowledge*, 70 percent responded that this area is either moderately or highly valuable, and only 6 percent responded that the LTCI Section is doing an inadequate job in that area. Over the years, the range of LTC knowledge and experience of LTCI Section members has clearly broadened, particularly with its open membership policy, and it’s great to see that the LTCI Section continues to meet the need for basic LTC education.

Regarding specialized *LTC knowledge*, respondents would most like the LTCI Section to provide value in the following areas, based on the percentage selecting “highly valuable”.

	Highly Valuable?
Industry Experience .....	.71 percent
Valuation .....	.70 percent
Regulation .....	.67 percent
Pricing .....	.66 percent
“Go to” source for research, etc. ....	.65 percent
Product Design .....	.63 percent
Sponsor LTCI Sessions .....	.54 percent
Publish Newsletter .....	.51 percent
Sponsor Research .....	.46 percent
Claims .....	.46 percent

Areas of specialized LTC knowledge that appear to be of relatively lower interest to respondents with respect to the LTCI Section as a resource include: underwriting, compliance/policy language, marketing, technology, administration and sponsoring special programs, events, etc.

I believe that it would be a mistake for the LTCI Section to ignore these latter areas going forward. The diverse interests of the members would not be well served. One idea might be to seek volunteers to champion areas of interest that are currently less valued by the majority of members. I suspect that a strong argument could be made that most, if not all, of these areas are also highly important to the success of LTCI Section members and their organizations.

However, as the LTCI Section strives to strike some balance on where to focus efforts and create new initiatives, clearly the respondents have spoken, which should also not be ignored.

2. How well is each of your expectations currently being fulfilled by the LTCI Section?

While the above list identifies the areas for which respondents would most like the LTCI Section to provide value, the following shows the areas that respondents indicated are most “inadequately” being fulfilled.

	Currently Fulfilled Inadequately?	Highly Valued?
Industry experience .....	.40 percent	.71 percent
Be a “go to” source... ..	.39 percent	.65 percent
Experience analysis .....	.34 percent	.34 percent
Technology .....	.32 percent	.26 percent
Pricing .....	.29 percent	.66 percent
Compliance/ policy language ...	.28 percent	.38 percent
Marketing .....	.28 percent	.28 percent
Valuation .....	.28 percent	.70 percent
Claims .....	.27 percent	.46 percent
Regulation .....	.27 percent	.67 percent

Naturally, there is some correlation between high demand and a lack of satisfaction with the current supply. Therefore, it is not too surprising

to see that industry experience heads both lists. I would also hasten to point out that the survey was conducted shortly *before* the release of the most recent LTC Intercompany Study. Therefore, the survey does not reflect any impact of that study on member opinion.

“Be a ‘go to’ source” also appears high on both lists, which implies that members are looking to the LTCI Section for research literature, experience studies, etc. to a greater degree than is currently being met.

Finally, pricing is a highly valued area, which the LTCI Section is perceived as not very well supporting.

3. What would you like to see more of, or less of, for us to better meet your expectations of the LTCI Section?

Here is a sample of what you would like to see more of:

- Industry experience analysis—long claim continuance and incidence rates
- Information on claims
- Product trends
- Risk analysis for each pricing component
- Average cost of LTC per state, per age cohort and per diagnosis
- Hear from experts outside of LTCI to provide insight into issues we face
- Valuation information
- Market and experience intelligence
- Underwriting related information
- Basic research
- Innovation

Here is a sample of what you would like to see less of:

- Basic LTC knowledge sessions
- Presentations which only “sketch” without the underlying mathematics
- Same presenters at meetings
- Duplication within sessions
- Actuarial numbers!

4. What do you think are the top three key issues facing LTC?

The most prevalent themes included:

- **Pricing** – stability, affordability, underpricing, repricing, pricing assumptions
- **Rate increases** – inadequacies, valuation implications, stabilization, approval
- **Education** – public, consumer, agent understanding of product, options, needs

- **Regulation** – restriction on plan design, rates, capital requirements, inflexibility
- **Claims** – lack of experience, trends, reserving, predicting future costs

Some other issues that were submitted included: not enough sales to younger ages, poor market position, systems for administration, consolidation/dropping out of carriers, quality of nursing home services, access to caregivers, lack of valuation standards, understanding morbidity, long-term profitability, litigation concerning rate adjustments, fraudulent activities by agents and policyholders, lack of innovation, failing investment returns, and the future supply of caregivers.

5. Would you be interested in helping the LTCI Section fulfill its mission to its members?

	% of Respondents
• Presenter at SOA meeting . . . . .	.25 percent
• Write an article for LTCI Section Newsletter . . . . .	.19 percent
• Help plan/coordinate/recruit LTCI session . . . . .	.15 percent
• Stand for election to the LTCI Section Council . . . . .	.13 percent
• Help develop/review LTCI content for SOA exam . . . . .	.11 percent
• Serve on a committee . . . . .	.11 percent
• Help update/maintain the LTCI Section Web site . . . . .	.4 percent

In conclusion, I want to thank all of you that participated in the LTCI Section Survey. The results provide an important indication of what you value in being a member of the LTCI Section, and how well the section is meeting your needs. Future surveys will help us determine how your opinions have changed, and also provide further direction to the LTCI Section Council and active members who play a vital role in keeping the section on course in pursuing its mission of supporting your growth in LTC. If you didn't participate in this survey, please seriously consider doing so next time! *



Philip J. Barackman, FSA, MAAA, is vice president with GenRe Life Health in Stamford, Conn. He may be reached at phil_barackman@genre.com.