



SOCIETY OF ACTUARIES

Article from:

Long-Term Care News

September 2008 – Issue No. 21

SOA 2008 Annual Meeting & Exhibit

LTC SECTION-SPONSORED SESSIONS AND DESCRIPTIONS

by Amy Pahl

This year the Annual Meeting will be held on October 19–22 in Orlando, Fla. Participants can look forward to the following sessions.

SESSION TITLE: LTC CLAIMS MANAGEMENT OF THE FUTURE

Join us to learn more about the emerging trends in claims intervention and how the landscape is changing in the delivery of care and services for LTC claimants. Also find out more about the best practices in LTC claims management. Attendees will learn more about where the LTC industry is relative to claim management today, where we need to be tomorrow and what tools are available to get us there.

SESSION TITLE: LITIGATION & PUBLIC RELATIONS MANAGEMENT—LTC SECTION HOT BREAKFAST

This session provides an opportunity for LTC actuaries and interested parties to get together and network on an informal basis. A brief update of the activities of the LTC Section will be followed by a presentation on managing litigation and public relations issues in this post-*NY Times* article age. In attending this session, you'll get a glimpse at what is happening at the company and regulatory level in dealing with image and litigation issues relating to the LTC insurance market.

This breakfast session is open to all meeting attendees. It is free for LTC Section members to attend. There is a modest fee for non-members.

SESSION TITLE: WILL STATE LTC PARTNERSHIP PROGRAMS GENERATE MEDICAID SAVINGS?

The passage of the Deficit Reduction Act of 2006 authorized the expansion of public-private Partnership LTC programs. Purchasers of

private LTC policies would be able to qualify for Medicaid LTC benefits without exhausting all their assets. For each dollar of benefits received from a Partnership LTC policy, a dollar in assets would be disregarded for purposes of Medicaid eligibility. Many states view the asset protection as a significant incentive for the purchase of private LTC insurance and are moving aggressively toward implementation of these programs. However, there does not appear to be a broad consensus that they will ultimately reduce Medicaid LTC expenditures.

This session will explore the potential for Partnership Medicaid savings from various perspectives, including the states that have had Partnership programs for many years, the Department of Health and Human Services, the Government Accountability Office (which published a recent report on potential Medicaid savings from Partnership), the insurance industry and the academic community. The session will include discussion of demographic, morbidity and cost of care projections.

Attendees will gain a better understanding of how Partnership programs operate, the trends that are generating public policy concern over how aging baby boomers will fund their long-term care needs and the potential for this public-private Partnership to address those concerns.

SESSION TITLE: PREPARING FOR PBA & STOCHASTIC MODELING

Long-Term Care insurance models being developed for principle-based reserve purposes incorporate complex stochastic approaches to many of the key variables. This session will discuss those approaches including how interaction effects of mortality, lapse and claim incidence are handled. Attendees will gain an understanding of the processes and calculations of a prototype Excel-based model that incorporates that key principles and concepts of the principle-based reserves stochastic model.



**SESSION TITLE: LTCI PRICING:
PROFITABILITY MEASURES AND THEIR
BEHAVIOR**

This session will help improve the actuary's understanding of the various profit measures that could be applied during LTCI new product pricing and the unique characteristics of each profit measure. The actuary will have a better understanding of which measure is most appropriate for the company's goals and how to discuss and present profit measure analyses to management.

Profit measures to be discussed will include return on GAAP equity, internal rate of return, economic value added and loss ratio measures. For each measure, the session will provide a definition, compare pricing results using a target, compare anticipated annual profit streams, discuss unusual results or idiosyncratic behavior, consider the impact of scenario variations and discuss how "moderately adverse" experience might be defined. We will also consider how a stochastic approach to pricing might interact with these measures or if new measures might need to be defined. How stochastic pricing impacts "moderately adverse" could also be discussed.

**SESSION TITLE: LTC SECTION-SPONSORED
RESEARCH STUDY RESULTS**

This session will provide the attendee an update of the findings of three research projects sponsored by the LTCI Section of the SOA.

"A Study on Transition Rates Between Claim Stages"—This study will analyze experience transition rates between claim settings. The primary transitions that will be analyzed are those between facilities and home care. Transitions between other care settings, such as assisted living facilities, will also be examined to the extent that credible data is available.

"Cognitive and Functional Disability Trends in Assisted Living Facility Residents"—The purpose of this research is to better understand

the functional and cognitive trends among assisted living facility residents. Specific questions to be addressed include: What are the ADL, cognitive and medical profiles of assisted living residents and how has this changed over time?; How does the ADL and cognitive profile of assisted living residents differ from service users in nursing home settings and in home health care settings?; and, What are the most prevalent dependencies among individuals in assisted living?

"A Study on Underwriting Selection Wear-Off"—This study proposes to develop an ultimate table of morbidity incidence rates and claim costs, develop related select-and-ultimate factors by issue age, gender and marital status and perform various analyses to test the appropriateness and significance and variability of the results. Also considered will be the impact of underwriting requirements, marital status, underwriting classification, product design and distribution, and a review of how the select period has changed over time.

**SESSION TITLE: SECURITIZATIONS
AND REINSURANCE — HOW THEY APPLY
TO LTC**

LTC writers are looking for ways to release trapped capital in their LTC insurance business. Securitizations offer a possible solution. This session will discuss the fundamentals of insurance risk securitizations, recent trends in securitizations for health and LTC business, and the outlook for the future.

The reinsurance market for LTC has been expanding over the last several months. Attendees of this session will learn more about what is driving this trend, the opportunity for reinsurers and the benefits of reinsurance for direct writers. ■



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