



SOCIETY OF ACTUARIES

Article from:

# Long-Term Care News

May 2012 – Issue 31

# ILTCI Recap: A Blueprint for the Future

Vegas provided the setting for the 12th Annual Intercompany Long Term Care Insurance Conference in March, and attendance was up with more than 750 people. This year's conference proved to be one of the best yet. The theme "Blueprint for the Future" did not disappoint and set the stage for exciting and informative forward-looking sessions, providing perceptive learning, and impromptu networking. The ILTCI Conference Association would like to thank those who devoted their time, skill and expertise over the past year, as well as the corporate sponsors and co-sponsors, and exhibitors who help make the conference possible.

There were several pre-conference workshops and meetings: a two-day CLTC Master Class, and meetings for the SOA LTCI Section Council, LTCI Think Tank, and the ILTCI Technology/Business Group. A CE-earning session, "Funding Longevity Using Reverse Mortgages," also was held.

The conference opened with its traditional Exhibit Hall Reception where attendees were able to visit with friends and peers as well as catch up on what our exhibitors had to offer. Supported by our industry sponsors and exhibitors, the conference meals and various exhibit hall receptions gave attendees unparalleled opportunities for networking with their customers, clients and peers.

ILTCI was fortunate to have Scott Kipper give the welcoming address. As commissioner of the Nevada Division of Insurance, his message engaged the audience on the panache of Nevada, and his view of the current and future state of the LTCI industry. Jay Bushey, chair of the SOA LTCI Section Council, provided an overview of the section's accomplishments over the past year and the council's current activities and goals for 2012.

Introduced by Greg Maciag, president and CEO of ACORD, David A. Smith, our keynote speaker offered a global view of the forces that will affect the LTCI industry in the coming years. An internationally recognized futurologist and president and CEO of Global Future Forecasting, David provided

topical insight on what the future could mean to long-term care insurers. His presentation covered global trends in economics, population and care giving, as well as new insurance products, new care products and technology.

The second general session, "Healthcare Reform and the Future of Long Term Care," was led by Gary Jacobs from Universal American. The session included views from the private insurance industry, the provider community and from the employer's perspective. Mark Parkinson, the former Kansas Governor and current president and CEO of the American Health Care Association and the National Center for Assisted Living, and Jeff Ellis, vice president and CFO of Benefits with MGM Resorts International, presented. The three addressed varying perspectives on the link between health care and long-term care. Lastly, a post-conference "SOA Actuarial Professionalism" workshop included discussions on the Actuarial Standards of Practice for LTC actuaries, the Actuarial Board for Counseling and Discipline (ABCD) and the new joint discipline structure.

The 48 educational sessions, from our six tracks, are summarized below: Actuarial and Management; Claims and Underwriting; Operations and Technology; Policy, Providers and Compliance; Sales and Marketing; and General Topics.

The Policy, Providers and Compliance Track offered up-to-the-minute content, colored by the rapidly changing landscape for health care and long-term care issues as well as the ever-present changes in the LTCI regulatory environment. Attendees were informed and challenged by the ever-changing regulatory environment in the litigation and regulatory change sessions. The "Interstate Compact" session provided attendees with insight on product filing requirements and carrier experience. Sessions included the ever-popular "Washington Watch" which critically examined goings-on in Washington and the implications for our industry. The session was informative, witty and provided insightful commentary on key policy drivers for our indus-

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try. Another session focused on the development of long-term care services and supports by presenting findings of a comprehensive study that essentially provides a scorecard for how states are doing with respect to four specific dimensions of LTSS system performance. The conference also focused on end-of-life care issues with implications for long-term care insurance. Recognizing the importance of reducing the burden on informal caregivers, another session examined two model programs designed to support and enable informal caregivers, in particular those dealing with a loved one with Alzheimer's Disease.

The Actuarial and Management Track devoted much of its time and attention to providing ideas and practices that would help individuals and companies plan for a better future. The sessions started with an interesting exchange of creative ideas to help build a best practices dashboard for monitoring and managing one's block of business. One couldn't help but to leave this session with some new ideas to improve or initiate his or her own dashboard. There were two sessions this year that were designed to challenge actuaries into thinking about how they can use Monte Carlo Simulation models to improve their skills and knowledge. One of these sessions focused on how to quantify the risks inherent in long-term care insurance (LTCI) and demonstrated how these models can help an actuary define moderately adverse experience. The Group LTC market was also represented at the conference with a discussion of what the future holds, including ideas for products that may be best suited for this market. A panel of experts discussed what influences companies to get in and get out of LTCI. This session included informative views from rating agencies and reinsurers. Recognizing that sales of combo products are on the rise, a good overview of this market was provided along with the results of the recently completed SOA-sponsored research of the pricing synergies of combination plans. Another session had an interactive discussion on this year's revisions that were made to the Academy Practice Note on rate stability and controversial issues that surround the NAIC LTCI Model Regulation. Now



that CLASS is no longer an option, a panel shared thoughts on what is next. This discussion was interesting and included ideas on how the long-term care (LTC) financing needs of the working disabled and the middle class can be met. Statistics can be useful but at times misunderstood. This was the theme at the final session which helped to set the record straight and provided some relevant and actuarially sound statistics for all to use.

For 2012, the Claims and Underwriting Track focused on the conference theme of "Blue Print for the Future" by producing several sessions on how technology will change the landscape for claims and underwriting practices across the industry. With a focus on the future, sessions reviewed how independent review organizations and private caregivers are changing the way claims are processed. The future of genetic testing and new developments related to cognitive impairment were reviewed for their future impacts on risk evaluation strategies. A roundtable discussion, focused on claims process trends, allowed industry experts to share experiences and solutions for tomorrow. For the third year, claims and underwriting experts discussed what they can learn from each other in their ever

CONTINUED ON PAGE 34

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changing environments. An interactive session with a diverse panel that included a private caregiver, an agent/broker and a health care provider elevated ideas to help shape future claim processes. Overall, there was a clear focus on the future of claims and underwriting practices and how these will change to meet future needs over time.

The Sales and Marketing Track presented eight sessions at the ILTCI Conference in Las Vegas March 20 and 21. A highlight was the session, “How to Become a Billion Dollar Industry Again,” featuring Marianne Harrison, president Long Term Care for John Hancock; and Buck Stinson, president, Insurance Products, Genworth Financial. They and two distributors forthrightly answered the questions from an involved audience.

Two sessions targeted marketing, both from the point of view of distribution and from the point of view of the home office. Other sessions highlighted recruiting techniques, how to associate with associations, non-traditional long-term care products, and effective selling with or without the use of technology. Finally, the “Sales Ideas That Work” session featured a “Cruise to Success” theme, complete with cruise liner props. This interactive forum highlighted seven topics where participants shared innovative ways to increase sales.



The General Topics Track was new in 2012 and presented a wide array of sessions of interest to conference attendees without being specifically tied to a certain area of practice. “Approaches to Address MiddleMarketLTCNeeds” focused on the solutions that currently exist for the middle market, reviewing affordable examples of those solutions, and examined the reasons consumers do not purchase coverage. In “Clash of the Titans,” Harley Gordon and Steve Moses engaged in a lively debate about the most important challenges facing the private LTCI industry. “International Perspectives” helped attendees understand how other countries are dealing with LTC financing issues. “Outsiders’ View” investigated how those outside the industry view the LTCI industry. “Regulation and Innovation” provided an update from the Society of Actuaries’ LTC Refinement Work Group. Attendees were able to speak directly with state insurance department representatives on current issues affecting LTCI at “Regulators for Regulators.” “Reverse Mortgages?” provided an overview of the reverse mortgage market and its relationship to LTCI. Finally, “Smart Homes, Robotics, and Changing Care” presented the cutting edge in how technology is shaping care today.

Staying true to this year’s goal of crafting a blueprint for the future of LTCI, the 2012 ILTCI Operations and Technology Track provided attendees with information, tools and case studies, to effectively handle challenges, more readily recognize opportunities, and realize quick wins and long-term successes. While there is often a focus on marketing and new business, the operating side of the company must be efficient in reporting, processing and providing excellent customer experiences. Industry experts developed and led noteworthy, engaging discussions to address the realities of operating in the industry’s current climate, and considered all aspects of organizational operations. One session highlighted how smart LTCI marketers are regarding combining prospects’ buying habits, social media and high-touch customer service successfully. This transforms data into information, and information into actionable intelligence that turn prospects into customers. It also provided meaningful ways to deliver a superior customer experience, something that’s challenged the LTCI industry for years. Another session highlighted improved cus-

tomers value by focusing on call center metrics as a way to mitigate complaints, resolve issues on one call, and improve performance through reporting, survey analysis and listening to the voice of the customer. And others specifically talked to adopting and applying technology in manageable, meaningful ways. All in all, the sessions allowed for a comprehensive discussion on the people, processes and systems that support LTCI operations.

The 12th annual conference will be hard to beat, but work has begun to set the wheels in motion to reach that goal with next year's conference. Mark your calendars now for the Thirteenth Annual ILTCI Conference, to be held March 3-6, 2013, at the Hilton Anatole in Dallas, Texas. Thanks again to all who have made this year's conference a success.

**Note:** The introduction for this article was provided by Kathy Hamby and David Kerr, chair and co-chair of the 2012 Conference, respectively. Track chairs provided the reports on the respective tracks: Steve Schoonveld and Keith Burns, Actuarial and Management; Jacqui Bencomo Carreno, Grace Nogueira, and David Swaim, Claims and Underwriting; Brian Vestergard, Rod Perkins and Dave Benz, General Issues; Susan Nelson and Sharon Reed, Operations and Technology; Beth Lovaas, Eileen Tell and John Cutler, Policy and Providers and Compliance; and Louis Brownstone, Gloria Slaughter, Laura Wooster and Steve Cain, Sales and Marketing. ■