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Highlights of the 9th Annual ILTCI Conference

by Sandra Latham



Sandra Latham is the chief administrative officer and a principal at LTCI Partners, LLC. As an active member in the ILTCI Conference, she has been the Operations Track chair and co-chair. Most recently, Latham has served as the conference co-chair and this year's chairperson. She can be reached at Sandra.Latham@LTCIPartners.com.

The 9th Annual ILTCI Conference was held in Reno, Nev., March 29-April 1, 2009. The event was kicked off by keynote speaker, Dan Buettner. Buettner is a worldwide explorer, *National Geographic* writer and *New York Times* best-selling author. He has unlocked some of the secrets to living younger and better and has led the teams that found the longest-lived pockets in the world, called Blue Zones.

Following are the tracks at the conference and highlights from the various sessions.

ACTUARIAL TRACK

Chair: Peter Sutton

Co-Chair: Laurel Kastrup

This track focused on stochastic pricing, product viability, litigation, experience analysis, projections, in force risk management and the value of the product. "Advanced Topics in Actuarial Pricing" highlighted trends in mortality and claims continuance, and also showed how stochastic pricing models can provide additional insight into effects of assumption variability. "Can LTCI Really Work?" emphasized learning from the past to overcome a tarnished reputation. Speakers focused on trends in claims, consumer satisfaction, company stability, regulatory oversight, the financial resources required and the failure of current systems. "Ask an Actuary" addressed morbidity and mortality improvement, rate increases and premium rate subsidization. "Litigation/Compliance" provided examples of court cases; the legal process, emphasizing actuarial roles and professional conduct were discussed. "Experience Analysis & Future Expectations" highlighted how financial statement forecasts change as business mix, lapse and morbidity unfold. Experience analysis as a process was reviewed, highlighting the need to ask appropriate questions and collaborate with other business professionals to form a support network. "Enterprise Risk Management" emphasized the need to manage claims and map out investment plans. The final session reviewed the growing need, wellness and disease management, payment models and the role of government.

CLAIMS TRACK

Chair: Lane Kent

The Claims Track sessions were well attended. "Assessing Benefit Eligibility" described best practices for initial assessment of benefit eligibility and the necessary requirement gathering. "Managing Independent Providers" discussed the challenges associated with using independent providers and the effect of state mandates. The "Dementia" session was rated as outstanding as the panelists volleyed the discussion of operational metrics and clinical progression back and forth. This dynamic created interactive discussions as case studies were reviewed. "Addressing Claims Fraud" reviewed tips for investigating suspicious activity and how to get results and report claims fraud.

COMPLIANCE TRACK

Chair: Karen Smyth

"Trial by Jury" was entertaining and educational, featuring a mock trial with a claimant suing her insurance company. The "jurors" learned the value of aligning marketing material with contract language, agent training and claim procedures. "Emerging Challenges & Solutions in Implementing Partnerships" identified key challenges in implementing state partnership programs. The speakers examined opportunities for bridging gaps with state regulators. "LTC & the Elderly—the Legal and Regulatory Landscape" discussed the scrutiny by federal and state legislators and regulatory review of LTCI carriers' rate increase requests and claims handling practices. Several best practices were shared for LTCI carriers to employ given the 50 different sets of regulations governing rate increases and claims handling. "Interstate Compact" examined the progress being made in both development and implementation standards for LTCI policies, rates and advertising. Finally, "The Genetics Debate" looked at the current emotional environment associated with genetics as it relates to personal privacy, where genetics appears in the public domain and the implications for insurance underwriters.

FIELD MARKETING TRACK

Chair: Lisa McAree

Co-Chair: Louis Brownstone

This track shook things up this year bringing new and relevant information to the conference attendees. "Creating and Marketing a New LTCI Policy" was a fascinating discussion on the intricacies of creating an LTCI policy starting with obtaining buy-in from top management, organizing and potentially outsourcing various functions, developing marketing materials and building distribution. When it came to "Linked Benefit Products," all agreed that the Pension Protection Act will open up this market. The session on "Starting, Selling or Buying a LTC Brokerage Firm" featured a panel sharing their extensive experience in each of the three phases. One of the more innovative sessions, the brainstorming session, "How to Sell More LTCI," brought together some of the brightest members of our industry. Attendees were randomly divided into groups and given one topic. At the end of an intense 20-minute session, each group presented their best idea and the entire group voted. "Brokerage Distribution versus Career Distribution" offered a spirited debate while the "Simplified Sales" session provided presentation options for both the individual and multi-life sales scenario. An interactive session, the Distributors Roundtable, had five successful panelists share their thoughts and responded to audience's questions.

GROUP TRACK

Chair: John Sherman

Co-Chair: Scott Beck

This track started with "What Makes Some Plan Sponsors Better than Others," which reported on a recent qualitative survey. Questions were posed to 29 LTCI plan sponsors prior to the conference. Respondents ranged in employee size from 1,000 to more than 100,000, and were headquartered in 16 states. The purpose was to determine what factors made some LTCI plans more likely to succeed than others in terms of employee participation. "Is It All or Nothing: an Industry at the Extremes" explored the differences in the amount and type of coverage consumers tend to purchase in the group and individual markets, determining which segment is better meeting the needs of LTCI buyers. "Multi-Life in the Large Group Market" explored the growing use of multi-life in the large group market. Traditionally, true group has been considered the only solution. However, recent experience from at least one large carrier in the

industry suggests that large groups will embrace a multi-life solution. "The Role of the Web: Today & Tomorrow" gave perspectives from the carrier, agent, employer and employee on using the internet to do business. "Should Insureds Pay Less for Group LTCI?" explored the methodology around the pricing of individual and group LTCI in an attempt to answer the question of whether buyers who purchase group LTCI should pay less. "The Challenge: Finding the Group Path to Qualified LTC Partnership Insurance" explored the unique challenges presented by the group market to the new partnership programs.

HOME OFFICE MARKETING TRACK

Chair: Laurel Wooster

Chair: Scott Williams

Co-Chair: Linda Skelly

The Home Office Marketing Track sessions presented this year were: "LTC Awareness and Action Campaigns" (AHIP Campaign and Own Your Future), "Psychology of the LTC Sale," "LTCI National Partnership Opportunity," "Pension Protection Act Impact to LTC Products and Marketing," "Evolution of Marketing and Distribution," and "Positioning LTCI as a Financial Protection Product." Many of the sessions featured distribution perspectives affording important insights to home office marketers, vendors and other attendees. Common trends and topics included:

- Partnership programs can be used to raise awareness, but keep client discussions simple and to the point.
- The increased use of Web marketing and social media by producers.
- The importance of cultivating centers of influence to get referrals.

The impact of the current economic crisis on marketing suggests that advisors mine their existing client base for referrals; go back to those who declined to purchase first time and to those who thought they could self insure. Everyone noted the need for increased consumer awareness initiatives across the board, and the positioning of LTCI as a sale for income protection, versus asset protection, made for an interesting session. With 2010 fast approaching, the question of the future of stand-alone LTC products in the wake of the Pension Protection Act made for a timely session. The question of the impact of combo annuity/LTC

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and life/LTC products overtaking stand-alone LTC is an important issue and made for an interesting session.



MANAGEMENT TRACK

Chair: David Kerr

Co-Chair: Mark Costello

This track explored the outlook for LTCI with the session “Luck of the Draw: Where Will LTC/LTCI Be in 5, 10, 15 Years,” discussing the potential for increased regulation, likely developments in product design, workplace versus retail and changes that will emerge in care delivery. The session entitled “Rolling the Dice: Winning Despite Uncertain Assumptions” session addressed the gap between industry experience and pricing expectations leading management concerned with morbidity. The session “LTCI Wheel of Fortune—Consumers/Investors/Carriers” provided information on The Partnership Program’s issues for consumers, carriers and investors; substandard opportunities; and cash and combo products. “LTC Issues and Opportunities: Time to Go All In!” was a lively and informative discussion covering marketing, product development and regulatory and pricing issues. We were reminded that we can learn from the past or we can repeat old mistakes with the session “Counting Cards: Win by Learning from the Past.” Managing closed blocks was the focus of “Playing the Cards You’re Dealt—Managing Closed Blocks to Win.” AHIP’s recent campaign was the focus in “Bad Flops: Controlling the Damage of Negative Publicity.”

OPERATIONS TRACK

Chair: Beth DeMartino

“We’re in this Game Together” included both sales and operations staff and focused on the tools and practices that leading carriers use to ensure that sales and operations stay on the same page throughout the year. The common theme of the discussion was two sided: sales need to understand what operations can commit to delivering; and operations needs to keep an open mind to changes to accommodate specific customers. “Operations Metrics—How to Make Your Numbers Work for You” focused on the common measures in operations, sales, finance, at the customer level, that measure how we say yes, go fast and be right. “Best Practices of Implementing a Rate Increase” featured panelists from both ops and actuarial backgrounds. During the session they shared lessons learned and provided guidance from filing, through implementation, to results. It was clear by the number of and types of attendees that rate increases are on everyone’s minds.

POLICY & PROVIDER/ COMPLIANCE AND CLAIMS TRACKS

Chair: Eileen Tell

Co-Chair: John Cutler

The Policy & Provider Track collaborated with the Compliance and Claims Track to convene a double session addressing “Independent Third Party Review of Claims in LTC.” Panelists offered perspectives on both the federal and state level, provided research data on the nature of claimant satisfaction and discussed the challenges of establishing independent third-party review for LTC. “State Initiatives on LTC” discussed the large and growing impact on state Medicaid budgets and suggested ways in which states can promote consumers take private responsibility for planning ahead for their LTC needs. A lively discussion focused on what new directions and issues may emerge with “New President & Congress.” The panelists feel that for long-term care reform to occur, it must be included within the broader context of health care reform. “Providers’ Views on LTC Financing Reform” presented proposals by two of the largest provider groups in that industry for including LTC in health care reform, with panel reactors from both the consumer and insurance perspectives. “Foreign Concepts” focused on lessons from abroad—discussing the public/private solutions that exist in Canada, Germany, the United Kingdom and France.

UNDERWRITING TRACK

Chair: Denise Liston

Co-Chair: Beth Kolanski

“Is There Such a Thing as a Successful Rescission?” equipped the audience with a clear understanding of the processes and how to minimize the risks. In “Medical Director’s Forum” it was clear that the impact of cognitive claims was on the forefront of everyone’s minds. Many questions were related to traumatic brain injury, depression and psychiatric illnesses and the medications used to treat these conditions, highlighting both the risks and rewards. “Playing the Game of Change: Can We Improve the Odds?” revolved around the topic of family history and genetics, and how these factors may impact the industry in the future as the average issue age decreases. “RENOvation of Diabetes and the Diabetic Lifestyle” focused on the importance of healthy lifestyle and how this is an important factor when assessing a client for insurability. “Deal or No Deal: Blood Disorders” created a better understanding of underwriting blood disorders for LTCI. Using live polling, the topics covered were: disorders that challenge the LTC underwriter; when are findings important; and how do they impact the outcome. This session included initial survey questions which focused on when, how and why LTC underwriters use blood profiles.

CEO FORUM

The conference concluded with the “CEO Forum” where an audience-panel discussion covered: CEOs’ commitment to the market; the impact of the recent economic downturn; sales and distribution; vision of the future for LTCI; how to address the risk of the underinsured public; the impact of potential health care reform; and collaborative efforts within the industry to direct positive change.

A ROUND OF APPLAUSE

I want to thank all of this year’s volunteers. The dedication, so generously giving of your time, energy and knowledge to the conference made it a huge success. This review gave you a small glimpse of the many talented sessions produced at the 9th ILTCI Conference. As in the past, you can expect a DVD with all of the presentations synced with audio to be distributed to each attendee. Next year we will celebrate the 10th Annual ILTCI Conference and a decade of dedication in New Orleans, March 14-17. Please contact conference chair, Carroll Golden, at cgolden@aegonusa.com if you’d like to volunteer in any way. We are always looking to involve talent from within the industry, seasoned and new. See you in New Orleans! ■

SPECIAL NOTE: For more information about the specific sessions described touched on in this article, visit the ILTCI 2009 Web site at <http://www.iltconf.org/>. Click on Powerpoints on the left-hand side of the page.