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Up Front with the SOA Staff Fellow

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In It's that time of year again: Time to make New Year's resolutions. How often do we make resolutions with great intentions and then go off the rails less than a month later? I love the joke about opening a gym called "Resolutions"—it will have gym equipment for the first two weeks of January and then turn into a bar for the rest of the year.

They say that one way to improve your chances of sticking to your New Year's resolution is to let others know about it so that they can help to hold you accountable. So with that in mind, I'd like to share one of my resolutions in this article.

I resolve to be mindful of the personal side of long-term care insurance.

As actuaries, we tend to focus on the technical aspects of long-term care insurance. What rate increase is necessary for a given block of business? How do we price this particular policy provision? What assumptions should we use for cash flow testing? Is this change in active life reserves reasonable?

Meanwhile, real people with unimaginable challenges face difficult decisions regarding long-term care insurance. For some, their prior decision to purchase long-term care insurance rewarded them with life-altering benefits during times of need. I encourage you to read Mike Bergerson's article in this issue of *Long-Term Care News*, "So What's the Good News?" Mike shares several heartwarming stories that are sure to make you feel even better about the work you do each day working with long-term care insurance.

I am also occasionally reminded about how challenging this product can be for people faced with a purchasing decision. Recently, a coworker asked if she could forward an email to me that she had received from a friend. Her friend faced a decision to purchase long-term care insurance through an employer plan, and her options thoroughly confused her. Reading her email, it was easy to see why this would be. Should she get inflation protection? If so, should she get 3 percent for X years or a 3 percent guaranteed purchase option for the life of the policy? Should she get \$100 per day benefit or \$150 per day? Were the premiums reasonable for each of these options?

I did my best to help her navigate these questions—with the proper caveats that I know more about pricing and reserving for

long-term care insurance policies than I do about choosing policy features to best meet one's specific needs; I am not, after all, a financial advisor. She seemed to appreciate the help, and I felt good being able to help her. For me, it also served as a reminder that we work with a complex product, one much more difficult for consumers to understand than for us, who work in this world daily.

How does a renewed consciousness about the personal nature of long-term care insurance play into a New Year's resolution? I don't expect it to change the quality of my work—I hold myself to a high standard and try to exhibit professionalism regardless of my awareness of the personal side of long-term care insurance. But I do believe it will help with my own perception of the work I do in general, and specifically everything being accomplished through the work of the Long Term Care Insurance Section. The section not only provides continuing education for those working in the long-term care insurance space. It also encourages and supports thought leadership, the kind of thought leadership that can help to improve the experiences of long-term care insurance consumers.

Take, for instance, the thought leadership displayed by the LTC Think Tank. As you may be aware, the Think Tank work has been broken into three platforms:

- Platform #1: Data Driven Decision Support
- Platform #2: Service Evolution and Expansion
- Platform #3: Paying for Care

Each of these platforms looks to enhance the consumer experience. Some of the ideas intend to reduce the need for care. Other ideas suggest creating products that are more easily understood and accessible. Still others strive to create new and more affordable ways to deliver care.

One common characteristic among all three platforms: They are mindful of the personal side of long-term care insurance.

So I encourage all of you to be more mindful this year about the personal side of long-term care insurance. Take pride in the work you do that enables such heartwarming stories as those that Mike shares in his article this issue. And consider it as you strive to shape the future landscape of long-term care insurance. This product exists to provide financial protection for people during times of great need. Let's keep those people in mind.

And with that, I'm heading off for a pint at Resolutions. ■



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