



Aging and Retirement

# COVID-19 Impact on Long-Term Care Insurance





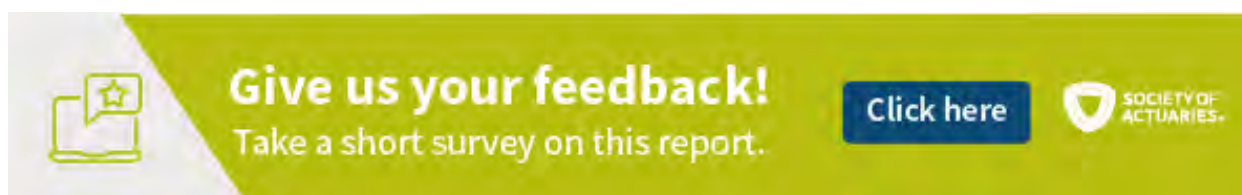
# COVID-19 Impact on Long-Term Care Insurance

## 2020 Survey

Report Prepared by Milliman, Inc.


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The SOA would like to thank the Senior Health Care Oversight Trust for their financial support of this project.

A green banner with a white diagonal stripe on the left. On the left side, there is an icon of a laptop with a star in a speech bubble. The main text reads "Give us your feedback!" in large white font, followed by "Take a short survey on this report." in smaller white font. To the right, there is a blue button with white text that says "Click here". On the far right, there is the Society of Actuaries logo.

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## Section 1: Introduction

The Society of Actuaries (SOA) retained Milliman, Inc. (Milliman) to conduct a survey on the impact of COVID-19 on Long-Term Care (LTC) insurance mortality, voluntary lapse, and morbidity experience. The results of this survey, which was conducted from November 2020 through January 2021, are presented in this report.

The survey studied the emerging impact of COVID-19 for the period from April 1, 2020 through September 30, 2020. This report does not reflect the surge of COVID-19 morbidity and mortality that took place after September 2020; further survey work is necessary to assess the impact of those cases. It is unclear how persistent these short-term impacts will be and how they may influence future trends. Speculation on the longer-term impacts, if any, of COVID-19 on LTC insurance was beyond the scope of this survey and report.

The authors of this report are principals and consulting actuaries with Milliman. This report provides survey results regarding the impact of COVID-19 on LTC companies. The authors are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries for rendering this opinion.

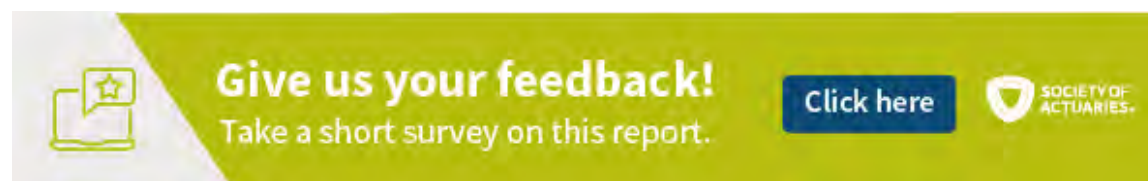
### 1.1 BACKGROUND

The SOA retained Milliman to conduct a comprehensive survey of the impact of COVID-19 on LTC insurance. This survey follows an earlier, shorter survey completed by Milliman in August 2020<sup>1</sup>.

The survey was sent to companies with LTC blocks of insurance. There were 15 companies that participated in the survey, which represented approximately 50% of the insured lives inforce in 2019<sup>2</sup>. Some companies only responded to a subset of the questions in the survey, so the total responses will not always equal 15.

The survey consisted of a series of questions about the potential impact of COVID-19 on LTC insurance. For some of the questions, participants were given the option to select multiple responses if more than one response was consistent with their experience. Also, for many questions, participants were prompted to give a short answer response. This option allowed companies to communicate their own response that best aligned with their experience or views. Companies were also asked to provide the event counts (deaths, claims, or voluntary lapses) that helped inform their responses.

The survey focused on the experience since the onset of COVID-19 with regard to mortality, voluntary lapse, morbidity, and reserves. The survey defined this as the period from April 1, 2020 through September 30, 2020. A full copy of the survey is provided in Appendix A of this report.



<sup>1</sup> Bergerson, Mike, Dalton, Andrew, Eaton, Robert, and Stoltzfus, James. "COVID-19 impact on long-term care: A survey of company experience." Retrieved February 20, 2021, from <https://us.milliman.com/en/insight/covid19-impact-on-long-term-care-a-survey-of-company-experience>.

<sup>2</sup> LTC insured lives inforce were collected from the year-end 2019 National Association of Insurance Commissioners (NAIC) Experience Reporting Forms.

## Section 2: Executive Summary

This section describes key observations from the detailed survey results presented in Section 3.

### 2.1 GENERAL

Overall, the survey results show that COVID-19 has had an impact on emerging LTC insurance experience through higher mortality (for both active and disabled lives) and lower claim incidence. Results on voluntary lapse rates were mixed; however, premium grace period extensions due to COVID-19 may have contributed to differences in reporting. The survey results also indicated that, in many cases, the impact of COVID-19 has not yet been studied or there is not yet data available. This was especially true in relation to studying COVID-19's impact across various characteristics (gender, attained age, marital status, situs).

For questions studying the impact of COVID-19 on specific assumptions, the effect was measured on a multiplicative basis compared to the expectation without COVID-19, except for voluntary lapse, which was measured on an additive basis. See examples in the full survey questions in Appendix A for additional detail.

### 2.2 PERSISTENCY

#### 2.2.1 Mortality

- About half of the respondents reported observing an increase in active life mortality. Seven companies indicated that this impact was not studied, that data was not yet available, or that there was no observable impact.
- About half of the respondents also reported observing an increase in disabled life mortality. Seven companies indicated that this impact was not studied, that data was not yet available, or that there was no observable impact.
- Three companies observed a higher mortality impact on disabled life mortality than on active life mortality. Two companies observed a smaller impact on disabled life mortality compared to active life mortality.
- A number of companies indicated that mortality levels increased initially but have since started to regress towards pre-COVID levels.

#### 2.2.2 Voluntary Lapse

- Results on voluntary lapse rates were mixed, with five companies reporting a decrease in lapse rates and two companies reporting an increase in lapse rates. However, a number of companies indicated that they have not adjusted lapse rates for premium grace period extensions due to COVID-19, which may have contributed to the decrease in lapse rates.

### 2.3 MORBIDITY

- The biggest impact on morbidity observed by companies thus far has been related to claim incidence. A majority of respondents saw lower claim incidence, with seven companies observing a large decrease (greater than 10%). Stay-at-home orders and lockdowns that occurred throughout much of the U.S. during the second quarter of 2020 likely contributed to this.
- Some companies indicated that claim incidence levels decreased initially but started to regress toward pre-COVID levels by September 2020.
- Seven companies (58%) reported seeing a shift in claim situs toward a home health care setting. This was true for both existing claims and new claims but especially so for new claims.

## 2.4 RESERVES

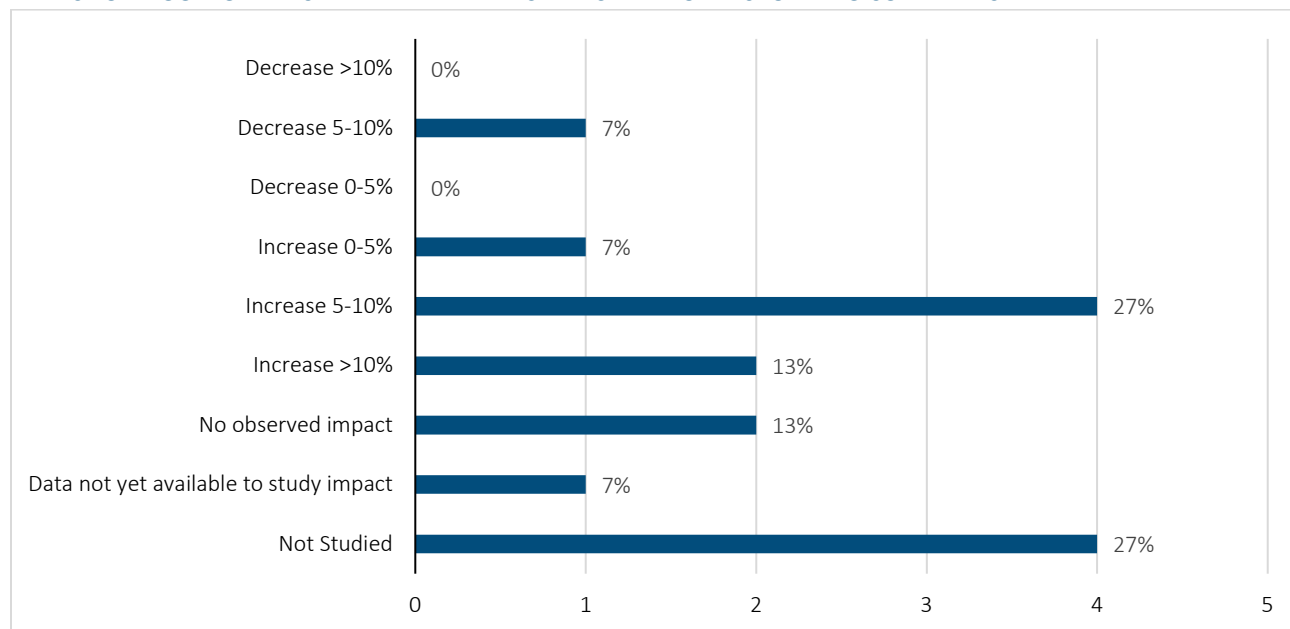
- Half of respondents indicated there was no impact on gross premium reserves (GPR), premium deficiency reserves (PDR), or asset adequacy reserves (AAR). Of the six companies that indicated there was an impact, most said one or more of these reserves increased as a result of the decrease in new money interest rates.
- For companies that reported no impact on GPR, PDR, or AAR reserves, we believe that companies are indicating they have not changed valuation assumptions due to COVID-19. However, some companies may be indicating there is no net change (i.e., no impact) due to updates in valuation assumptions from COVID-19.
- A majority of respondents indicated that claim reserves decreased as a result of COVID-19.

### Section 3: Survey Results

This section presents the survey responses for the 15 participating companies. Since some companies only responded to a subset of the questions in the survey, the total responses will not always equal 15. Each question is followed by graphical results, as well as commentary on the results. Where open response comments were provided by companies, the comments are presented with only slight edits for readability and to preserve company anonymity. For each question, the survey asked for experience from April 1, 2020 (roughly the onset of COVID-19 in the U.S.) to September 30, 2020 (when we began compiling this survey).

#### 3.1 IN THE EMERGING LTC ACTIVE LIFE MORTALITY EXPERIENCE SINCE THE ONSET OF COVID-19, WHAT HAVE YOU OBSERVED RELATIVE TO YOUR EXPECTATION FOR THE BLOCK ABSENT COVID-19?

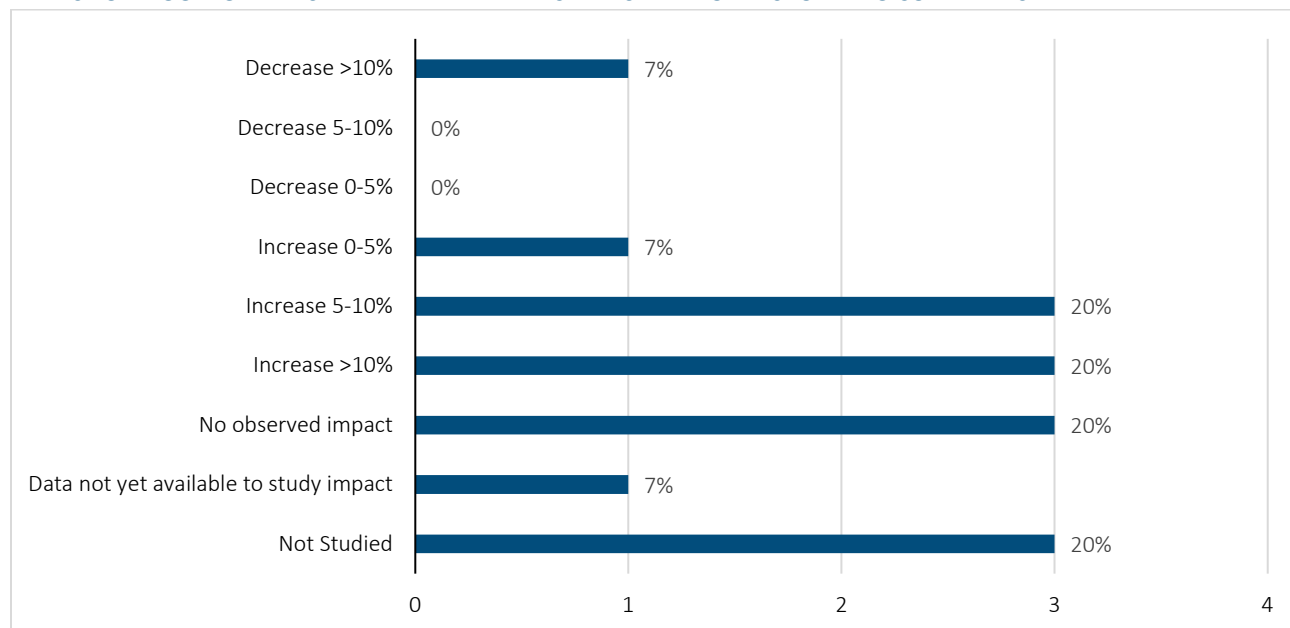
**Figure 1**  
IMPACT ON AGGREGATE ACTIVE LIFE EXPERIENCE – NUMBER OF RESPONDING COMPANIES



- Seven (47%) respondents reported observing an increase in active life mortality, with six of the seven companies seeing an increase in excess of 5%.
- Only one (7%) respondent observed a decrease in active life mortality.
- Seven (47%) respondents indicated that this impact was not studied, data was not yet available, or there was no observable impact.
- Companies were also asked about variation in active life mortality experience by gender and attained age. Very few companies observed variation by these characteristics with the most significant variation being three (20%) that indicated a smaller impact of COVID-19 at younger attained ages (less than 60).
- Eight (53%) companies provided the deaths underlying their response. The aggregate number of active life deaths across all companies providing the information was 25,845 and ranged from 618 to 9,811 by company.

### 3.2 IN THE EMERGING LTC DISABLED LIFE MORTALITY EXPERIENCE SINCE THE ONSET OF COVID-19, WHAT HAVE YOU OBSERVED RELATIVE TO YOUR EXPECTATION FOR THE BLOCK ABSENT COVID-19?

**Figure 2**  
**IMPACT ON AGGREGATE DISABLED LIFE EXPERIENCE – NUMBER OF RESPONDING COMPANIES**

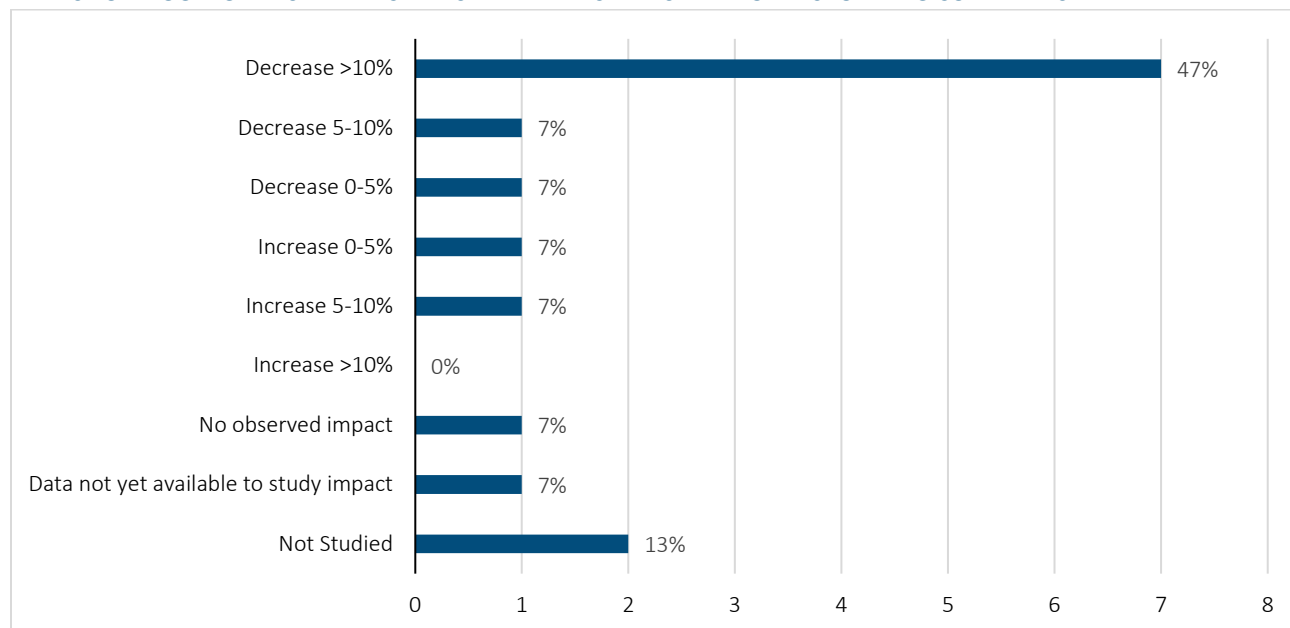


- Similar to the active life mortality responses, seven (47%) respondents reported observing an increase in disabled life mortality. Again, six of the seven companies saw an increase in excess of 5%.
- One (7%) respondent observed a significant decrease in disabled life mortality
- Seven (47%) respondents indicated that this impact was not studied, data was not yet available, or there was no observable impact.
- Three (20%) companies observed a higher mortality impact on disabled life mortality compared to their response for active life mortality. Two (13%) companies observed a smaller impact on disabled life mortality compared to active life mortality.
- Companies were also asked about variation in disabled life mortality experience by gender, attained age, and situs. Very few companies observed variation by these characteristics with the most significant variation being two (13%) that indicated a smaller impact of COVID-19 at younger attained ages (less than 70).
- Eight (53%) companies provided the deaths underlying their response. The aggregate number of disabled life deaths across all companies providing the information was 24,541 and ranged from 145 to 12,252 by company.



### 3.3 IN THE EMERGING CLAIM INCIDENCE EXPERIENCE SINCE THE ONSET OF COVID-19, WHAT HAVE YOU OBSERVED RELATIVE TO YOUR EXPECTATION FOR THE BLOCK ABSENT COVID-19?

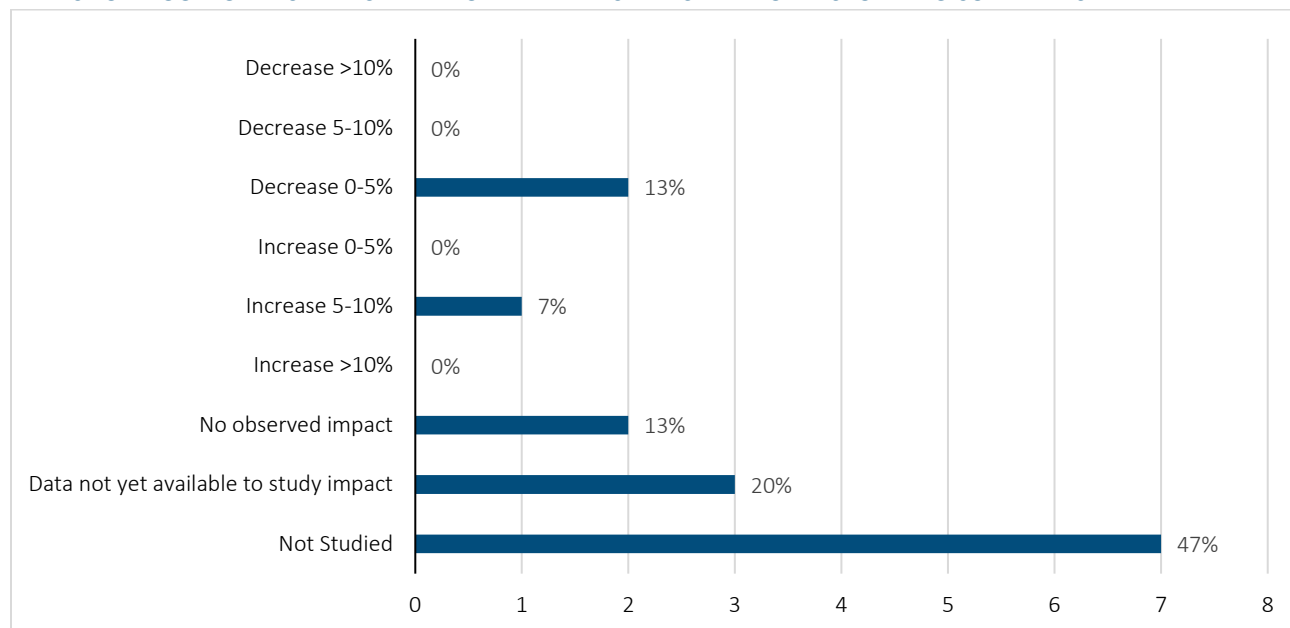
**Figure 3**  
IMPACT ON AGGREGATE CLAIM INCIDENCE EXPERIENCE – NUMBER OF RESPONDING COMPANIES



- Over half (60%) of the respondents reported observing a decrease in claim incidence with seven of the nine companies observing a decrease in excess of 10%.
- Two (13%) respondents observed an increase in claim incidence.
- Four (27%) respondents indicated that this impact was either not studied, data was not yet available, or there was no observable impact.
- Companies were also asked about variation in claim incidence experience by gender, marital status, attained age, and situs. Very few companies observed variation by these characteristics and only one (7%) reported studying the impact by situs.
- Eight (53%) companies provided the claim counts underlying their response. The aggregate number of claim counts across all companies providing the information was 27,869 and ranged from 200 to 12,828 by company.

### 3.4 IN THE EMERGING CLAIM UTILIZATION EXPERIENCE SINCE THE ONSET OF COVID-19, WHAT HAVE YOU OBSERVED RELATIVE TO YOUR EXPECTATION FOR THE BLOCK ABSENT COVID-19?

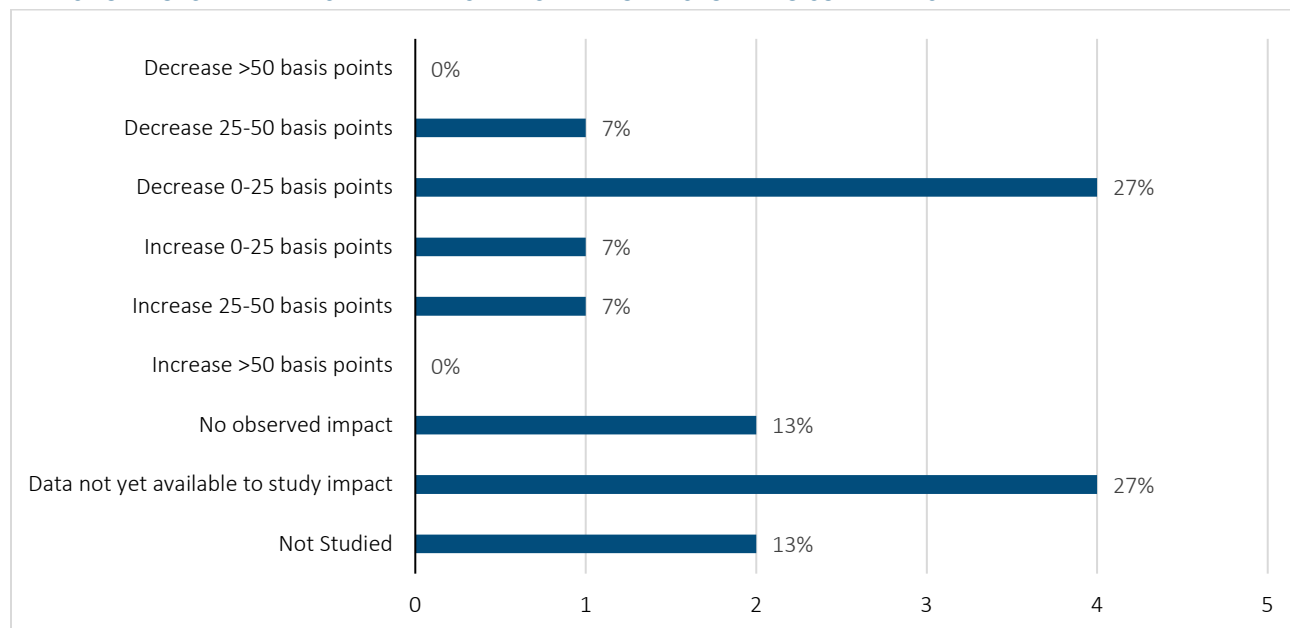
**Figure 4**  
**IMPACT ON AGGREGATE CLAIM UTILIZATION EXPERIENCE – NUMBER OF RESPONDING COMPANIES**



- The majority (80%) of respondents indicated that this impact was either not studied, data was not yet available, or there was no observable impact.
- Two (13%) respondents observed a slight decrease in claim utilization that was less than 5%.
- Companies were also asked about variation in claim utilization experience by gender, marital status, attained age, and situs. No companies observed significant variation by these characteristics with only two (13%) reporting studying the impact by these characteristics.
- Four (27%) companies provided the claim counts underlying their response. The aggregate number of claim counts across all companies providing the information was 289,854 (a range is not provided since only four companies provided data).

### 3.5 IN THE EMERGING VOLUNTARY LAPSE EXPERIENCE SINCE THE ONSET OF COVID-19, WHAT HAVE YOU OBSERVED RELATIVE TO YOUR EXPECTATION FOR THE BLOCK ABSENT COVID-19?

**Figure 5**  
IMPACT ON VOLUNTARY LAPSE EXPERIENCE – NUMBER OF RESPONDING COMPANIES



- Prior questions asked about percentage impact on a multiplicative basis, while this question asked about basis point impact on an additive basis.
- Five (33%) respondents reported observing a decrease in voluntary lapse experience, while two (13%) reported observing an increase in voluntary lapse experience.
- The majority (53%) of respondents indicated that this impact was not studied, data was not yet available, or there was no observable impact.
- A subsequent question discusses the impact of grace period extensions on voluntary lapse experience. Grace period extensions may have made it difficult for companies to evaluate voluntary lapse experience and led to underreporting of voluntary lapses. See item 3.7 for additional details.
- Companies were also asked about variation in voluntary lapse experience by gender, marital status, and attained age. Very little variation was observed by these characteristics with only four (27%) companies reporting studying the impact by these characteristics.
- Eight (53%) companies provided the voluntary lapses underlying their response. The aggregate number of lapses across all companies providing the information was 11,971 and ranged from 240 to 4,522 by company.

### 3.6 PLEASE DESCRIBE ANY VARIATIONS IN EXPERIENCE THAT YOUR COMPANY HAS OBSERVED IN EITHER MORTALITY OR CLAIM EXPERIENCE AS THE PANDEMIC HAS CONTINUED (E.G., INITIALLY CLAIMS WERE 10% LOWER BUT HAVE NOW MODERATED TO THE EXPECTED LEVEL).

Overall, companies reported seeing higher mortality (active life and disabled life) and lower claim incidence. Multiple companies reported that the impact on mortality and claims was higher initially (starting in March) but regressed towards pre-COVID levels in the later months of 2020. Responses for individual companies are listed below.

- *We've seen lower incidence, more claim terminations. Policy lapsations is down, probably due to extended grace periods.*
- *In the second quarter we saw very low new claims and high claim terminations. In the third quarter we saw low new claims and high claim terminations but not to the same extent as the second quarter.*
- *In the initial months of the pandemic, new pending claim volume was significantly lower. This volume has recently increased but remains below expected seasonal levels. Disabled life mortality was also elevated in the early months of the pandemic and subsequently diminished. Processing changes might have driven some of the initial increases, however.*
- *Overall, higher mortality and lower claim incidence occurred between March - July. August and September saw these metrics return to more expected levels but October reverted back to the levels observed in March - July.*
- *Too soon to tell.*
- *Early on, claimant mortality was much higher but has since returned to normal levels.*
- *Seeing a pattern of shift from assisted living/nursing home to home health care. However, small amount of claims, so not very credible.*
- *Claim incidence was down through September but has increased since then--but not quite to normal levels.*
- *Observed a smaller increase in claims and higher claim termination rate.*
- *Most of the effect is lower incidence and lower utilization.*
- *Disabled life deaths spike much higher during the fourth quarter, 2020 vs. previous years. Prior, disabled mortality was fairly normal.*
- *Mortality and incidence changed most dramatically in the second quarter and moderated in the third quarter. Please note this is retail counts and A/E only to provide consistency. Where we do not usually measure experience, we did not provide data such as by setting and non-credible age groups.*

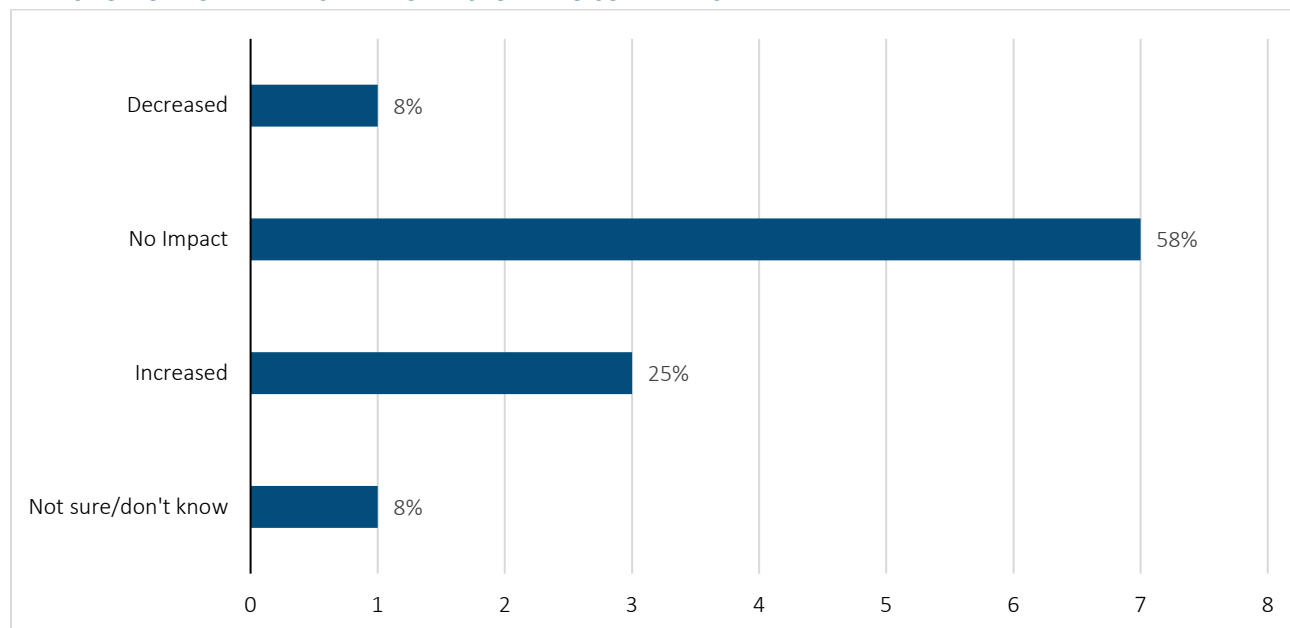
### 3.7 HOW DID YOU ACCOUNT FOR POLICIES THAT MAY BE PAST A NORMAL GRACE PERIOD BUT HAVE NOT BEEN LAPSED DUE TO REQUESTS OR REQUIREMENTS TO EXTEND GRACE PERIODS DUE TO COVID-19?

Most companies reported making no adjustment for extended grace periods, which may have led to underreporting of voluntary lapses in the experience to date. Some companies did not respond or indicated that this was not yet studied. Responses for individual companies are listed below.

- *Extensions of grace periods lowered overall lapse rates.*
- *Policies were given the additional grace period per state mandates and not included in the voluntary lapse counts.*
- *No adjustment was made for policyholder accommodations that were granted because of COVID-19.*
- *Nothing was done for these types of policies. However, most extended grace periods were gone by September.*
- *Grace period extensions (a COVID management response) presented challenges that prevented us from providing accurate data.*
- *We just had depressed lapse counts because of the grace period extensions. True lapse experience cannot be studied until the extensions run out and we complete the full billing notice and lapsation cycles for all of the grace period extended insureds. Such cycles only completed in December 2020 and thus our fourth quarter analysis is where we will be able to truly evaluate the aggregate impact on true lapse rates.*
- *As we are also experiencing lapses due to rate increases, it is difficult to measure.*
- *We did not take this into account.*
- *Not Applicable.*
- *Policies were treated as inforce.*
- *Not yet studied.*
- *We do not typically measure lapses by rate, rather by actual vs expected. We did extend grace periods and lapses have been low during 2020.*

### 3.8 AS A RESULT OF COVID-19, HOW HAVE YOUR GROSS PREMIUM RESERVES (GPR) OR PREMIUM DEFICIENCY RESERVES (PDR) BEEN IMPACTED?

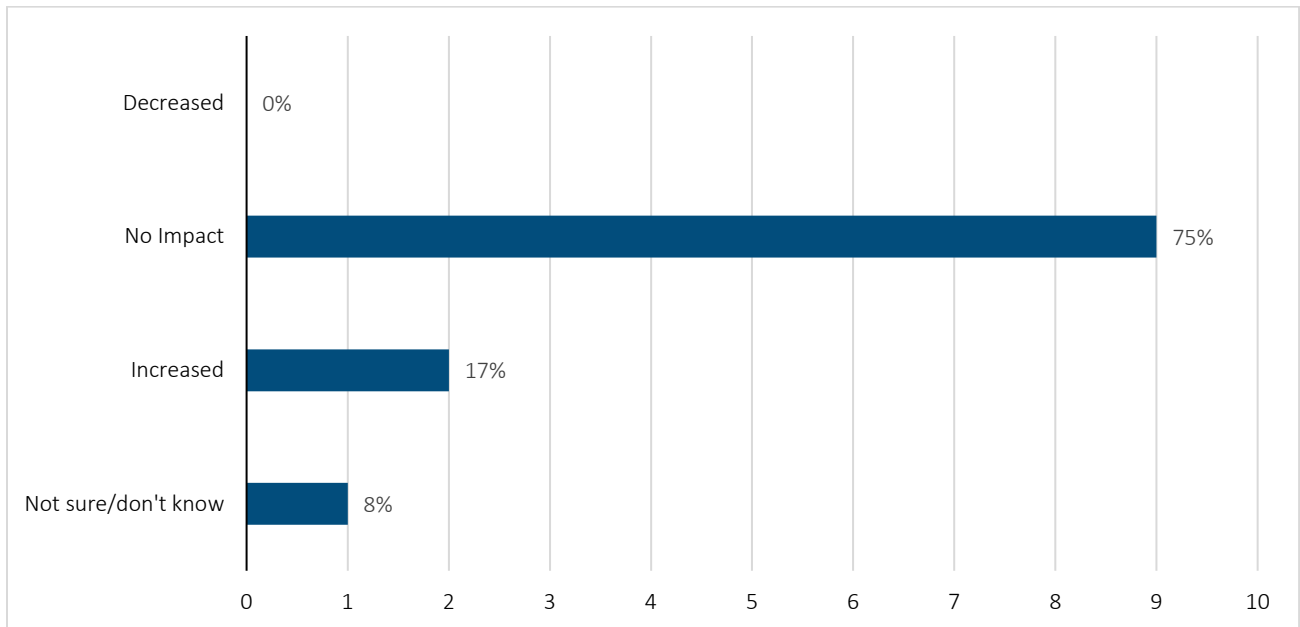
**Figure 6**  
IMPACT ON GPR OR PDR - NUMBER OF RESPONDING COMPANIES



- A majority (58%) of the respondents reported observing no impact on GPR or PDR.
- Three (25%) respondents reported an increase and one (8%) reported a decrease to their GPR or PDR.
- For companies that reported no impact on GPR or PDR reserves, we believe that companies are indicating they have not changed valuation assumptions due to COVID-19. However, some companies may be indicating there is no net change (i.e., no impact) due to updates in valuation assumptions from COVID-19.

### 3.9 AS A RESULT OF COVID-19, HOW HAVE YOUR ADDITIONAL ACTUARIAL RESERVES (AAR) BEEN IMPACTED?

**Figure 7**  
**IMPACT ON AAR - NUMBER OF RESPONDING COMPANIES**

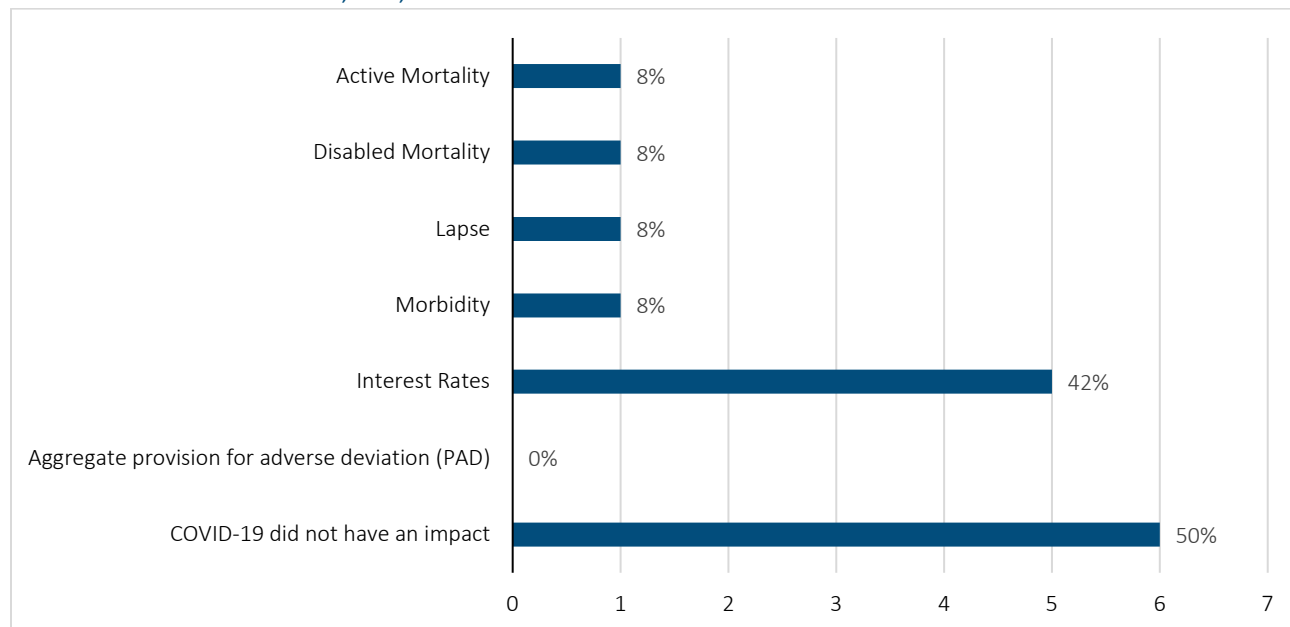


- A majority (75%) of the respondents reported observing no impact on AAR. The higher percentage of companies responding in this fashion to question 3.9 compared to 3.8 is likely due to some companies not holding an AAR.
- Two (17%) respondents observed an increase in AAR.
- For companies that reported no impact on AAR reserves, we believe that companies are indicating they have not changed valuation assumptions due to COVID-19. However, some companies may be indicating there is no net change (i.e., no impact) due to updates in valuation assumptions from COVID-19.

**3.10 IF COVID-19 IMPACTED GPR, PDR, OR AAR RESERVES, WHAT WAS THE CAUSE? (SELECT ALL THAT APPLY)**

**Figure 8**

**CAUSES FOR IMPACTS ON GPR, PDR, OR AAR - NUMBER OF RESPONDING COMPANIES**



- Half (50%) of the respondents reported COVID-19 did not have an impact on GPR, PDR, or AAR reserves.
- For companies that indicated COVID-19 did have an impact on their GPR, PDR, or AAR reserves, the majority said interest rates were the cause and reported an increase to reserves in questions 3.8 or 3.9.
- One (8%) respondent indicated morbidity, lapse, disabled mortality, and active mortality were causes of changes to their GPR, PDR, or AAR reserves. This company reported a decrease to GPR, PDR, or AAR reserves in question 3.8.

**3.11 IF THE GPR, PDR, OR AAR RESERVES WERE IMPACTED BY AN AGGREGATE PAD DUE TO COVID-19, WHAT WAS THE REASON FOR THE PAD?**

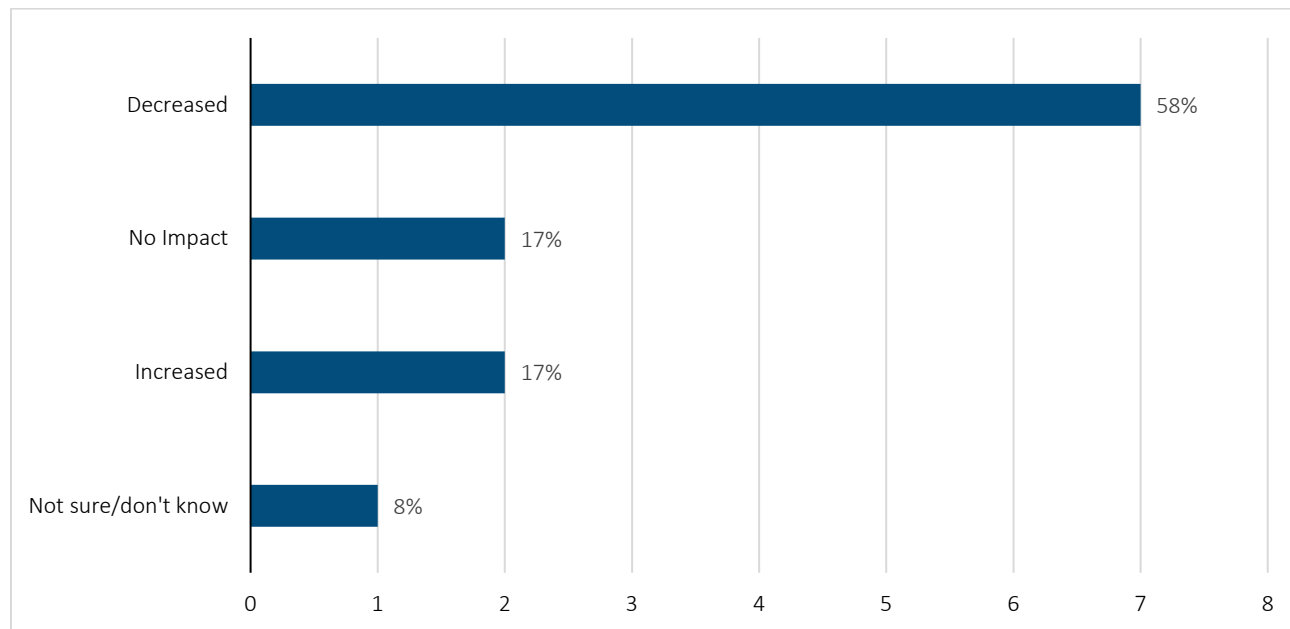
- One company responded to this question and indicated COVID-19 related health factors (including mortality impacts) were the reason for the PAD. In question 3.10, this company did not respond with an aggregate PAD as a cause for impact on the GPR, PDR, or AAR. The reason for the inconsistency in responses to questions 3.10 and 3.11 is unknown.



### 3.12 HOW HAVE YOUR CLAIM RESERVES BEEN IMPACTED BY COVID-19?

Figure 9

IMPACT ON CLAIM RESERVES - NUMBER OF RESPONDING COMPANIES

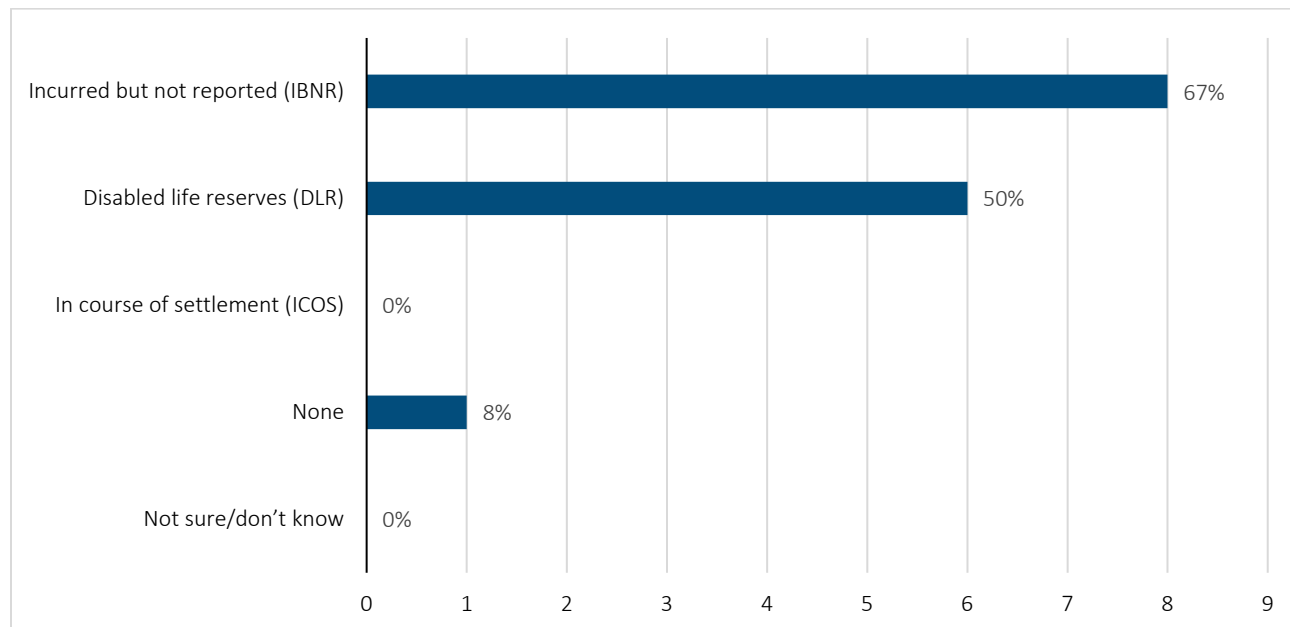


- A majority (58%) of the respondents reported observing a decrease in claim reserves. This is consistent with the increase in disabled mortality and decrease in claim incidence experience observed by many companies.
- Two (17%) respondents observed an increase in claim reserves.

**3.13 WHICH CLAIM RESERVES, IF ANY, WERE IMPACTED BY COVID-19? (SELECT ALL THAT APPLY)**

**Figure 10**

**CLAIM RESERVES IMPACTED BY COVID-19 - NUMBER OF RESPONDING COMPANIES**



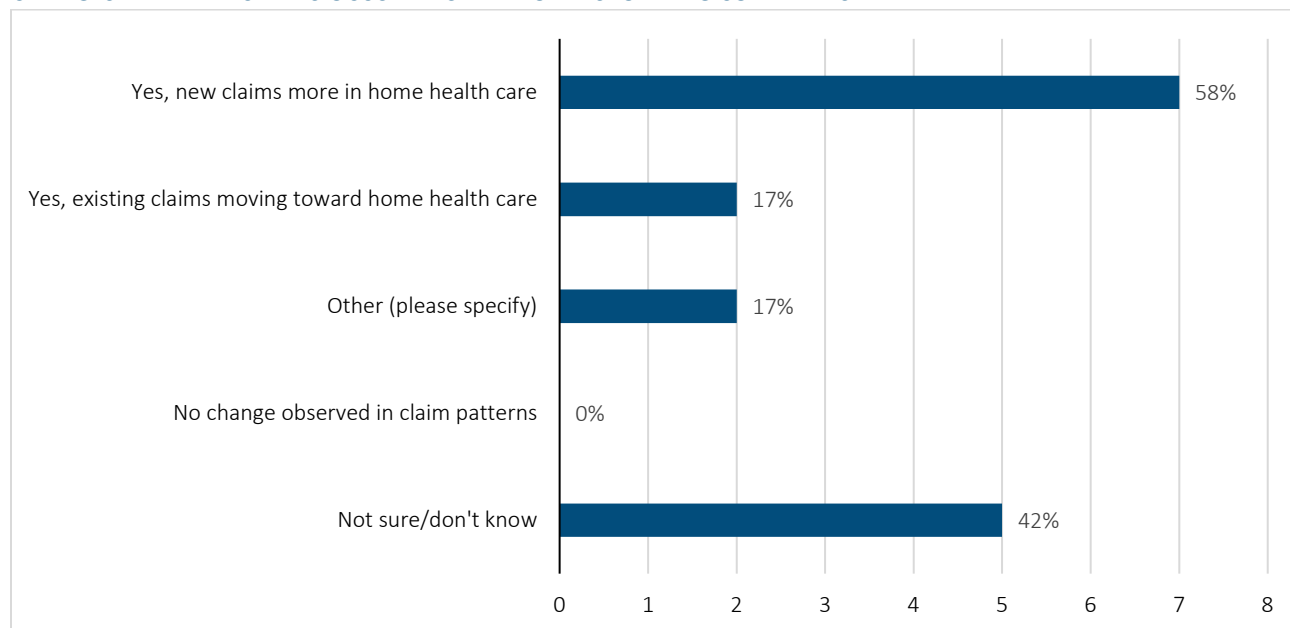
- Of the companies that responded to this question, the disabled life reserves and incurred but not reported reserves were generally impacted with no companies reporting an impact to in course of settlement reserves.

**3.14 PLEASE DESCRIBE ANY SPECIFIC DIAGNOSES (E.G., CANCER) THAT HAVE EXHIBITED A GREATER IMPACT WHICH YOU BELIEVE MAY BE ATTRIBUTED TO COVID-19.**

No companies indicated having knowledge of any specific diagnoses exhibiting greater impacts which could be attributed to COVID-19. One company indicated they would consider conducting a future experience study to research this.

**3.15 HAVE YOU OBSERVED A CHANGE IN WHERE CLAIMS OCCUR (NURSING HOME VS. HOME CARE) WHICH YOU BELIEVE CAN BE ATTRIBUTED TO COVID-19? (SELECT ALL THAT APPLY)**

**Figure 11**  
**CHANGES IN WHERE CLAIMS OCCUR - NUMBER OF RESPONDING COMPANIES**



- Many respondents reported seeing a shift in claim situs toward a home health care setting. This was true for both existing claims and new claims but especially so for new claims. It is important to note that it is difficult in many cases for existing claims to transfer from a facility setting to a home care setting in a short period of time. Therefore, if policyholder preferences have changed and there becomes more aversion to a facility setting due to COVID-19, we may observe a continued, but gradual shift in situs mix toward home health care.
- The remaining companies reported not knowing if there was a change in where claims occur.

**3.16 WOULD YOUR COMPANY BE WILLING TO PARTICIPATE IN A DEEPER STUDY OF THE IMPACT OF COVID-19 ON LTC BY CONTRIBUTING SPECIFIC POLICY LEVEL INFORMATION?**

**Table 2**  
**NUMBER OF RESPONDING COMPANIES WILLING TO PARTICIPATE IN A DEEPER STUDY**

Response	Number of Responses	Percent of Responses
Yes	4	33%
No	8	67%

**3.17 WOULD YOUR COMPANY BE WILLING TO RESUBMIT THE DATA IN THE PRIOR QUESTION FOR A COVID-19 ANALYSIS, AND IF SO, HOW OFTEN?**

**Table 2**

**NUMBER OF RESPONDING COMPANIES WILLING TO PARTICIPATE IN A PERIODIC STUDY**

<b>Response</b>	<b>Number of Responses</b>	<b>Percent of Responses</b>
Yes, quarterly	2	17%
Yes, semi-annually	5	42%
No	5	42%

## Section 4: Reliance and Limitations

In conducting the COVID-19 survey and preparing this report, we have relied upon the information provided by the contributors. To the extent that this data is incomplete or inaccurate, our results may be materially affected.

This report may not be published in any other form without written permission from the SOA and Milliman. Milliman does not intend to benefit any third-party recipient of its work product.

The information in this report is intended to be valid as of the date it has been prepared. Its future validity depends on the further development of market events, regulations, and standards of practice. Given the substantial uncertainty regarding the impact of COVID-19, it is important that emerging experience continue to be monitored. In particular, this report does not reflect the surge of COVID-19 morbidity and mortality that took place after September 2020; further survey work is necessary to assess the impact of those cases.

## Section 5: Acknowledgments

The SOA would like to thank the Senior Health Care Oversight Trust for their financial support of this project.

The authors would like to thank the SOA for giving us this opportunity to complete this survey. We would also like to thank the volunteer reviewers and others for their diligent work overseeing questionnaire development, analyzing and discussing respondent answers, and reviewing and editing this report for accuracy and relevance. Finally, we would like to thank the companies that participated in the survey effort for, without their responses, this survey would truly not have been possible.

### Volunteer reviewers:

Rhonda Kay Ahrens, FSA, MAAA

Paul F. Colasanto, ASA, MAAA

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Kristy Dreyer

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## Section 6: List of Participating Companies

Ameriprise Financial

Canada Life Reinsurance Company

CNA

Gen Re

Genworth Financial

John Hancock

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MassMutual Life Insurance Company

MedAmerica

New York Life Insurance Company

Oxford Life Insurance Company

Prudential Financial

Senior Health Insurance Company of Pennsylvania

State Farm Mutual Automobile Insurance Company

Thrivent



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## Appendix A: Survey Questions

1. In the emerging LTC active life mortality experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual active life mortality since COVID-19 of 90% of the expected active life mortality for the block is a 10% decrease (multiplicatively) in active life mortality experience. Select the response that best describes your company's experience in aggregate.

Decrease >10%

Decrease 5-10%

Decrease 0-5%

Increase 0-5%

Increase 5-10%

Increase >10%

No observed impact

Data not yet available to study impact

Not studied



2. In the emerging LTC **active life mortality** experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual active life mortality since COVID-19 of 90% of the expected active life mortality for the block is a 10% decrease (multiplicatively) in active life mortality experience. Select the response that best describes your company’s experience for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

	Decrease >10%	Decrease 5-10%	Decrease 0-5%	Increase 0-5%	Increase 5-10%	Increase >10%	No observed impact	Data not yet available to study impact	Not studied
Gender: Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender: Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: <60	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 60-69	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 70-79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 80-89	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 90+	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. In the emerging LTC disabled life mortality experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual disabled life mortality since COVID-19 of 90% of the expected disabled life mortality for the block is a 10% decrease (multiplicatively) in disabled life mortality experience. Select the response that best describes your company's experience in aggregate.

Decrease >10%

Decrease 5-10%

Decrease 0-5%

Increase 0-5%

Increase 5-10%

Increase >10%

No observed impact

Data not yet available to study impact

Not studied

4. In the emerging LTC **disabled life mortality** experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual disabled life mortality since COVID-19 of 90% of the expected disabled life mortality for the block is a 10% decrease (multiplicatively) in disabled life mortality experience. Select the response that best describes your company's experience for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

	Decrease >10%	Decrease 5-10%	Decrease 0-5%	Increase 0-5%	Increase 5-10%	Increase >10%	No observed impact	Data not yet available to study impact	Not studied
Gender: Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender: Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: <70	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 70-79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 80-89	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 90+	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: NH	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: ALF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: HHC	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. In the emerging LTC claim incidence experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual claim incidence since COVID-19 of 85% of the expected claim incidence for the block is a 15% decrease (multiplicatively) in claim incidence experience. Select the response that best describes your company’s experience in aggregate.

Decrease >10%

Decrease 5-10%

Decrease 0-5%

Increase 0-5%

Increase 5-10%

Increase >10%

No observed impact

Data not yet available to study impact

Not studied

6. In the emerging LTC **claim incidence** experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual claim incidence since COVID-19 of 85% of the expected claim incidence for the block is a 15% decrease (multiplicatively) in claim incidence experience. Select the response that best describes your company’s experience for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

	Decrease >10%	Decrease 5-10%	Decrease 0-5%	Increase 0-5%	Increase 5-10%	Increase >10%	No observed impact	Data not yet available to study impact	Not studied
Gender: Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender: Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Marital Status: Married	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Marital Status: Single	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: <70	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 70- 79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 80- 89	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 90+	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: NH	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: ALF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: HHC	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. In the emerging LTC claim utilization experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, an actual claim utilization of 72% since COVID-19 compared to an expected claim utilization of 80% for the block is a 10% decrease (multiplicatively) in claim utilization experience. Select the response that best describes your company’s experience in aggregate.

Decrease >10%

Decrease 5-10%

Decrease 0-5%

Increase 0-5%

Increase 5-10%

Increase >10%

No observed impact

Data not yet available to study impact

Not studied

8. In the emerging LTC **claim utilization** experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, an actual claim utilization of 72% since COVID-19 compared to an expected claim utilization of 80% for the block is a 10% decrease (multiplicatively) in claim utilization experience. Select the response that best describes your company’s experience for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

	Decrease >10%	Decrease 5-10%	Decrease 0-5%	Increase 0-5%	Increase 5-10%	Increase >10%	No observed impact	Data not yet available to study impact	Not studied
Gender: Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender: Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Marital Status: Married	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Marital Status: Single	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: <70	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 70- 79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 80- 89	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 90+	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: NH	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: ALF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Situs: HHC	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. In the emerging LTC voluntary lapse experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual voluntary lapse rates since COVID-19 of 0.50% compared to an expected voluntary lapse rate of 0.60% for the block is a 10 basis point decrease in voluntary lapse experience. Select the response that best describes your company's experience in aggregate.

Decrease >50 basis points

Decrease 25-50 basis points

Decrease 0-25 basis points

Increase 0-25 basis points

Increase 25-50 basis points

Increase >50 basis points

No observed impact

Data not yet available to study impact

Not studied



10. In the emerging LTC **voluntary lapse** experience since the onset of COVID-19 (4/1/2020 – 9/30/2020), what have you observed relative to your expectation for the block absent COVID-19? For example, actual voluntary lapse rates since COVID-19 of 0.50% compared to an expected voluntary lapse rate of 0.60% for the block is a 10 basis point decrease in voluntary lapse experience. Select the response that best describes your company’s experience for each characteristic. If experience has not been studied for a given characteristic, indicate Not Studied for that characteristic.

	Decrease >50 basis points	Decrease 25-50 basis points	Decrease 0-25 basis points	Increase 0-25 basis points	Increase 25-50 basis points	Increase >50 basis points	No observed impact	Data not yet available to study impact	Not studied
Gender: Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender: Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Marital Status: Married	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Marital Status: Single	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: <70	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 70- 79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 80- 89	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attained Age: 90+	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Provide the number of deaths, number of claims, and number of voluntary lapses that informed your responses for questions 1 through 10. If possible, please provide the information for each breakdown (e.g., gender, attained age, situs of care, etc.) included in your responses to questions 1 through 10. The data provided to this question will only be used to provide context around the responses to questions 1 through 10, as needed. It will not be shared outside of the SOA and the contracted researcher for this survey.

a. LTC **active life mortality** experience

Deaths

- Total/Aggregate
- Gender: Male
- Gender: Female
- Attained Age: <60
- Attained Age: 60-69
- Attained Age: 70-79
- Attained Age: 80-89
- Attained Age: 90+

b. LTC **Disabled life mortality** experience

Deaths

- Total/Aggregate
- Gender: Male
- Gender: Female
- Attained Age: <70
- Attained Age: 70-79
- Attained Age: 80-89
- Attained Age: 90+
- Current Situs: NH
- Current Situs: ALF
- Current Situs: HHC

c. LTC **claim incidence** experience

Claims

- Total/Aggregate
- Gender: Male
- Gender: Female
- Current Marital Status: Married
- Current Marital Status: Single
- Attained Age: <70
- Attained Age: 70-79
- Attained Age: 80-89
- Attained Age: 90+
- Current Situs: NH
- Current Situs: ALF
- Current Situs: HHC

d. LTC **claim utilization** experience

Claims

- Total/Aggregate
- Gender: Male
- Gender: Female
- Current Marital Status: Married
- Current Marital Status: Single
- Attained Age: <70
- Attained Age: 70-79
- Attained Age: 80-89
- Attained Age: 90+
- Current Situs: NH
- Current Situs: ALF
- Current Situs: HHC

e. LTC **voluntary lapse** experience

Voluntary lapses

- Total/Aggregate
- Gender: Male
- Gender: Female
- Current Marital Status: Married
- Current Marital Status: Single
- Attained Age: <70
- Attained Age: 70-79
- Attained Age: 80-89
- Attained Age: 90+

12. Please describe any variations in experience that your company has observed in either mortality or claim experience as the pandemic has continued (e.g., initially claims were 10% lower but have now moderated to the expected level).

13. For questions 9 and 10, how did you account for policies that may be past a normal grace period but have not been lapsed due to requests or requirements to extend grace periods due to COVID-19?

14. As a result of COVID-19, how have your gross premium reserves (GPR) or premium deficiency reserves (PDR) been impacted?

Increased

Decreased

No impact

Not sure/don't know

15. As a result of COVID-19, how have your additional actuarial reserves (AAR) been impacted?

Increased

Decreased

No impact

Not sure/don't know

16. If COVID-19 impacted GPR, PDR, or AAR reserves, what was the cause? (select all that apply)

Active Mortality

Disabled Mortality

Lapse

Morbidity

Interest Rates

Aggregate provision for adverse deviation (PAD)

COVID-19 did not have an impact

17. If the GPR, PDR, or AAR reserves were impacted by an aggregate PAD due to COVID-19, what was the reason for the PAD?

COVID-19 related health factors (including mortality impacts)

COVID-19 triggered economic factors

Combination of health and economic factors

18. How have your claim reserves been impacted by COVID-19?

Increased

Decreased

No impact

Not sure/don't know

19. Which claim reserves, if any, were impacted by COVID-19? (select all that apply)

Incurred but not reported (IBNR)

Disabled life reserves (DLR)

In course of settlement (ICOS)

None

Not sure/don't know

20. Please describe any specific diagnoses (e.g., cancer) that have exhibited a greater impact which you believe may be attributed to COVID-19.

21. Have you observed a change in where claims occur (nursing home vs. home care) which you believe can be attributed to COVID-19? (select all that apply)

Yes, new claims more in home health care

Yes, existing claims moving toward home health care

Other (please specify)

No change observed in claim patterns

Not sure/don't know

22. Would your company be willing to participate in a deeper study of the impact of COVID-19 on LTC by contributing specific policy level information?

Yes

No

23. Would your company be willing to resubmit the data in the prior question for a COVID-19 analysis, and if so, how often?

No

Yes, quarterly

Yes, semi-annually

## About The Society of Actuaries

With roots dating back to 1889, the [Society of Actuaries](#) (SOA) is the world's largest actuarial professional organization with more than 31,000 members. Through research and education, the SOA's mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business and societal challenges. The SOA's vision is for actuaries to be the leading professionals in the measurement and management of risk.

The SOA supports actuaries and advances knowledge through research and education. As part of its work, the SOA seeks to inform public policy development and public understanding through research. The SOA aspires to be a trusted source of objective, data-driven research and analysis with an actuarial perspective for its members, industry, policymakers and the public. This distinct perspective comes from the SOA as an association of actuaries, who have a rigorous formal education and direct experience as practitioners as they perform applied research. The SOA also welcomes the opportunity to partner with other organizations in our work where appropriate.

The SOA has a history of working with public policymakers and regulators in developing historical experience studies and projection techniques as well as individual reports on health care, retirement and other topics. The SOA's research is intended to aid the work of policymakers and regulators and follow certain core principles:

**Objectivity:** The SOA's research informs and provides analysis that can be relied upon by other individuals or organizations involved in public policy discussions. The SOA does not take advocacy positions or lobby specific policy proposals.

**Quality:** The SOA aspires to the highest ethical and quality standards in all of its research and analysis. Our research process is overseen by experienced actuaries and nonactuaries from a range of industry sectors and organizations. A rigorous peer-review process ensures the quality and integrity of our work.

**Relevance:** The SOA provides timely research on public policy issues. Our research advances actuarial knowledge while providing critical insights on key policy issues, and thereby provides value to stakeholders and decision makers.

**Quantification:** The SOA leverages the diverse skill sets of actuaries to provide research and findings that are driven by the best available data and methods. Actuaries use detailed modeling to analyze financial risk and provide distinct insight and quantification. Further, actuarial standards require transparency and the disclosure of the assumptions and analytic approach underlying the work.

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