



# LONG-TERM CARE

The Newsletter of the Society of Actuaries  
Long-Term Care Insurance Section

NUMBER 3

OCTOBER 2000

## A Primer on Some LTCI Pricing Challenges

by James C. Berger & Yang Ho

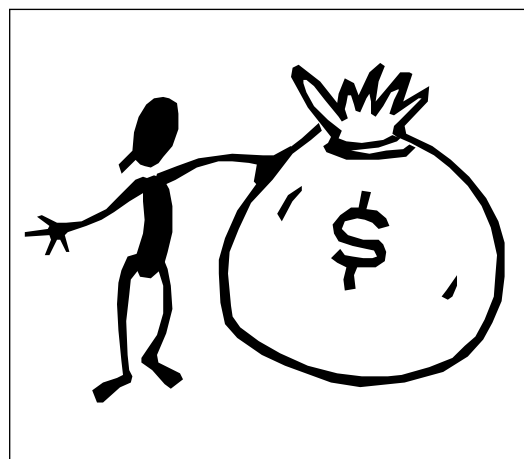
*Editor's Note: This article is part two of a two part article that ran in the previous issue of Long-Term Care.*

### Investment Earnings

Investment earnings rates are another critical factor in the profit success of LTCI. Perhaps this assumption is

second in importance only to lapse rates.

Investment strategies may range from a simple melding of assets with the other lines of business to aggressive management of funds built up in the LTCI line. One of the investment



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risks that should see sensitivity testing is the C-3 risk of assets bought in a low interest rate environment needing to be sold in a high interest rate environment, thus developing a loss. Since the maturity of LTCI liabilities is still fairly uncertain, the assets backing these liabilities may require sale at unprofitable times. The flip side of having to sell assets at unprofitable times is being forced to reinvest the maturing assets, again at unprofitable times.

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475 N. Martingale Road, Suite 800  
Schaumburg, IL 60173  
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Fax: 847-706-3599

World Wide Web: <http://www.soa.org>

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**Bartley L. Munson, FSA**

*Long-Term Care* Newsletter Editor  
Munson & Associates  
1034 Memorial Drive  
Sturgeon Bay, WI 54235  
920-743-9255  
920-743-9255 (Fax)  
E-mail: [bartmunson@itol.com](mailto:bartmunson@itol.com)

**Long-Term Care Insurance  
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**SOA Staff**

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([jadduci@soa.org](mailto:jadduci@soa.org))  
**Lois Chinnock**, Section Coordinator  
([lchinnock@soa.org](mailto:lchinnock@soa.org))  
**Cecilia Green**, APR, CAE, Director of  
Integrated Communications  
([cgreen@soa.org](mailto:cgreen@soa.org))

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**Chair's Corner**  
*by James M. Glickman*

**W**elcome to our third LTCI Section newsletter and my last as Section Chairperson. Our inaugural year has gotten off to a fast start, and with continued enthusiasm from the Section membership, we all should achieve just as much progress in 2001.

For those of you planning to attend the SOA annual meeting in Chicago, we have lined up a full slate of stimulating LTCI sessions. Planning has also started for the 2001 SOA spring meeting in Dallas. Since the spring meeting is heavily attended by those already involved in LTCI, the emphasis at this meeting will be aimed towards more advanced LTCI topics.

Conversely, the 2001 annual meeting next year will place more emphasis on the basic topics, with workshop follow-ups.

The July issue of *Brokers World* magazine published its 2<sup>nd</sup> Annual Long Term Care Insurance Survey. Thanks to our Section's involvement, the survey incorporated an estimated 97% of the individual LTCI business written in 1999, with fifty companies participating. Based on the feedback received, this survey was extremely valuable to the LTCI industry as a whole. Hopefully, the Section will continue to co-sponsor and improve the survey in future years. A copy of this survey is included with this newsletter.

The First Annual Intercompany Long-Term Care Insurers Conference, scheduled for January 21st to 23rd of 2001 at the Hyatt Regency Miami, is sponsored by the Society of Actuaries and SOA LTCI Section. It will feature thirty-five different sessions centered around five educational tracts: 1) Actuarial; 2) Marketing; 3) Claims; 4) Under-writing; and 5) Compliance/Government Relations. The conference also will feature a significant amount of networking time, together with an exhibit hall where most of

the companies providing services to the LTCI industry are expected to display their wares. The audience is expected to include representatives from virtually all areas of the LTCI industry. This should be the most comprehensive meeting for LTCI insurers ever put together and is likely to become the major annual LTCI insurers' conference.

During 2001, two new initiatives should be completed. First, we are currently working on a survey of Section members to solicit information about what the Section should be emphasizing to serve the members better, and in particular what new activities the Section should get involved with.

Second, we are forming a sub-group to determine how to best design and utilize the technology tools the SOA makes available to us, including the Section website, blast e-mails, bulletin boards, and other communication devices. We are still looking for volunteers to help on this committee. If you are interested (no technical knowledge is necessary, but creativity is highly desired) please contact me or anyone else on the Council to indicate your interest.

I would like to welcome our new Council members Peggy Hauser and Anna Rappaport, as well as congratulate Mike Abroe on being re-elected to the Council. Also, my congratulations to Loida Abraham and Greg Gurlik on their selection as chairperson and vice-chairperson, respectively, for 2001.

Our membership has grown from 200, when the Section was formed last year, to 700 as of September, 2000. Hopefully, during this next year, the Section will continue this growth rate.

As a final note, I encourage all who are interested to participate in Section activities and help determine our future direction and successes.

**James M. Glickman, FSA, is president and CEO of LifeCare Assurance Company in Woodland Hills, CA. He can be reached at [Jim.Glickman@Itcadmin.com](mailto:Jim.Glickman@Itcadmin.com).**

**A Primer on Some LTCI Pricing Challenges**  
*continued from page 1*

Unfortunately, since no derivative securities based on lapse performance exist to hedge that great risk, sensitivity testing for the various feasible deviations from pricing assumptions will be mandatory. That should be followed by a thorough communication of the risks to upper management.

For a growing block of business, the risk of longer-than-needed durations is mitigated, but projecting rapid growth is risky for the timeframes in which these investment risks can become actualities. Corporate cashflow testing will also add to the picture, though if one only looks at inforce business, significant aspects of new business will be overlooked.

For a multi-line company, there may be other lines of business that will gain while LTCI investment returns

*"The individual company should also aim to have its own evaluation of target surplus needs. It should look to regulatory and rating agency reviews as well as its own retrospective and prospective views of the nature of the LTCI risk."*

suffer. Scenario testing is needed for the LTCI line and ideally for the corporate entity. Practicality may preclude the corporate modeling, but as a friend of mine says, "Aim high, the bullet drops on its own." One must weigh the risks of ignoring this analysis.

**RBC**

Investment returns have been low recently for fixed-income securities, while the stock market has posted tremendous returns. This may tempt insurers to find added return through non-fixed-income securities.

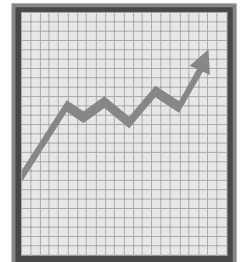
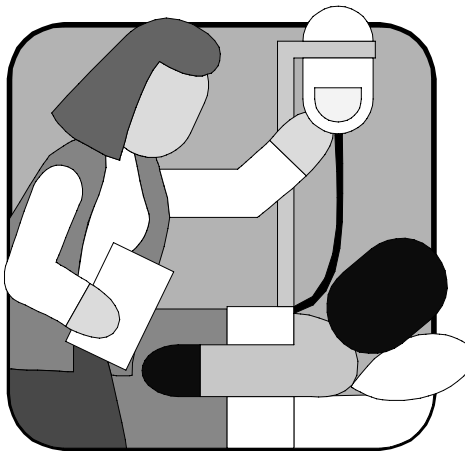
The Risk Based Capital (RBC) requirements will change as the investment mix changes, and this should impact target surplus holdings.

While there is as yet no clear model for LTCI RBC, the disability income model contains the right components. It will indicate a risk differential for the various types of securities.

The individual company should also aim to have its own evaluation of target surplus needs. It should look to regulatory and rating agency reviews as well as its own retrospective and prospective views of the nature of the LTCI risk.

**Long-Term Effects**

The time horizon for investment returns and for the profit objective(s) stand as items to be added to the analysis. If investment earnings rates are projected to stay at a constant, say, 7% for the life



## A Primer on Some LTCI Pricing Challenges

*continued from page 3*

of the policy, what happens if the Fed does keep inflation in check for the long term and investment returns for this specific investment mix never climb above 6.5% after ten years? At older ages the impact is perhaps not large, but at younger ages problems abound.

### What About Lapse Rate Assumptions?

If experienced lapses are even slightly lower than pricing assumptions, profits will suffer, especially at the younger ages where errors in lapses are compounded over a longer period. Carefully consider the sales channel for the younger age business and be sure lapse assumptions are in line with what

assumption could be considerably wrong and state insurance departments may have little mercy.

Until a company knows what experience is saying about these assumptions, the risk-return paradigm should tell them not to encourage sales in the portions of the business that have the greatest variability, e.g., it seems questionable to offer higher commission rates at younger ages.



the decision makers about marketing, investment, etc.

### Loss Ratios

A final comment about young ages has to do with the loss ratio. The nature of the loss ratio calculation means that meeting the loss ratio requirement at those ages leaves little extra for commissions and profit. Fixed policy expenses and lower average premium for younger ages mean the expense ratios as a percent of premium are higher for younger ages.

Claims assumptions at younger ages should also be viewed very carefully. Young age underwriting is not as well understood as it is at the older age, particularly for individual policies where antiselection in the thin young age segment could be large. Underwriting selection may need to use factors that are close to one initially, and grade to something higher than one.

*"Claims assumptions at younger ages should also be viewed very carefully. Young age underwriting is not as well understood as it is at the older age, particularly for individual policies where antiselection in the thin young age segment could be large."*

reason dictates for that channel.

A one-size-fits-all lapse

Once again, sensitivity analysis should be commonplace and the results effectively communicated to

If pricing subsidizes lower young age loss ratios with higher older age loss ratios, and the actual business mix by age turns out to be much lower than anticipated, regulators may again not be willing to listen to a company's request for rate relief.

Of course, in New Jersey the loss ratio must be specified by age and cannot have more than a 10% differential between the age with the highest loss ratio and the age with the lowest loss ratio.

Thus, in New Jersey the mix of business is not allowed to become a significant issue. This shifts the focus of the pricing

exercise, since the expenses for the younger ages in New Jersey are subsidized by older age policies, with their lower expenses per policy due to fixed policy expenses.



Though inflation protection can be expected to be a larger portion of sales at the younger ages and thus increase the average premium (as well as claim), this should not be expected to remove the expense subsidy issue. If the actuary wasn't careful in the product design, regulators may have good reason to be skeptical of future filings by the actuary.

### Conclusion

All these pricing concerns may be a bit overwhelming to a company or an actuary entering the LTCI marketplace, so this is one area in which a reinsurer can offer great benefit. Not only can the company lay off risk until they are more comfortable with what is required in the LTCI business, but also the expertise of reinsurers may fill the knowledge gap and may keep the company from making serious miscalculations.

"Risk and reward" is the mantra of a successful business. The company that can

manage their assumed risk through thorough and appropriate pricing practices will better position itself for solid results in this challenging line of insurance.

**James C. Berger, ASA, MAAA, is a consulting actuary at Miller & Newberg, Inc. in Olathe, KS. He can be reached by phone at (913) 393-2522 or by e-mail at jim@miller-newberg.com.**

**Yang Ho, FSA, MAAA, is vice president and actuary in the Reinsurance Division at Transamerica Occidental Life in Charlotte, NC. He can be reached by phone at (704) 344-2781 or by e-mail at yang.ho@transamerica.com.**

**The authors wish to thank Tony Proulx and Claude Thau for their constructive reviews of this article.**

# Suitability and Long-Term Care Insurance

by Dearborn Publishing

*Editor's Note: This is part two of a two-part article. This article last appeared in the "Long-Term Care Suitability" training packet, which has published by Dearborn Publishing in Chicago this year.*

“Suitability” is not a precise term in the insurance industry. Already in this text, suitability has been used to describe many different areas of the sales cycle. Suitability is not a “black or white” issue. There are many gray areas between suitable and unsuitable.

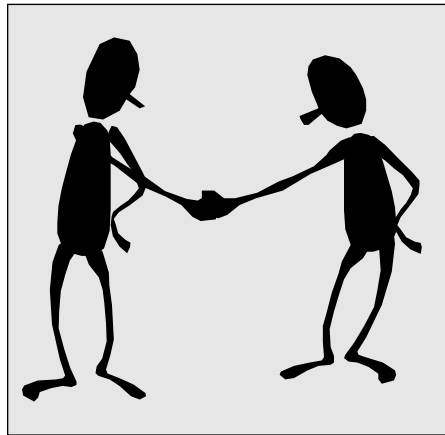
Most agents understand that any product they recommend should be affordable and meet their prospect's needs. But suitability drives deeper than that. Today, given the newness of long-term care insurance (LTCI) and the uncertainties surrounding it, suitability also requires attention to the prospect's ability to understand and manage the recommended product. Suitability depends as much on the prospect's capabilities as his or her needs.

This adds to the agent's challenge. Agents need the skills not only to understand and present the product in layman's terms, but also to conduct a thorough assessment of the prospect's needs, wants, and financial situation. Agents must also educate clients so they can make informed decisions in designing and managing their LTCI policy.

Here, suitability is focused on the relationship between a recommended product and the client's needs and capabilities. For each prospect, on a case-by-case basis, suitability is determined by asking

the following questions and analyzing the answers:

1. What are the individual's needs and wants?
2. What product (or products) can help meet those needs?
3. Does the individual understand the product and its provisions?
4. Does the individual have the capability to manage the product?
5. Is the agent's recommendation in the prospect's best interest?



## What are the individual's needs and wants?

In every LTCI sale, the principle of suitability demands an answer to the question, “What are the individual's needs?” LTCI can meet various needs, including protecting assets, providing choices in care providers, maintaining one's independence so as not to be a burden on children, or avoiding the ever-changing government programs. Where there is a need or desire for

financial protection, there is the potential for a suitable sale.

Purchasing LTCI is both a logical and emotional decision. A suitable sale occurs when an applicant knows the policy is right for him or her both logically and emotionally.

## What product (or products) can help meet those needs?

Conceptually, LTCI is a simple product. When someone loses their ability to remain independent, they get money to pay for care. In actuality, it is much more complicated than that. There are five basic choices to be made. Within those choices are many options. Different companies offer different options. Some companies offer benefit choices beyond the five basic ones.

Consequently, before a specific product is recommended, the agent must examine many other issues:

- The reason for purchasing the coverage
- The nature of the insurance need (temporary or long-term)
- The individual's ability to pay the premium for the extent of the need
- The prospect's sensitivity to price and the cost/benefit trade off associated with that sensitivity
- The willingness to reapply and purchase additional coverage in the future
- The integration of LTCI with existing insurance coverage and the complete retirement plan

- The individual's need or desire for product flexibility
- The likelihood that the individual's needs will change in the foreseeable future
- The individual's tolerance for risk versus his or her desire — or need — for guarantees

Evaluating these factors places the agent in a far better position to make a suitable product recommendation. Doing so is the essence of needs analysis, which everyone agrees is the best way to determine the type and amount of insurance protection the individual should have. The quality of an agent's services and the suitability of the recommendations are directly related to the kind of analysis he or she offers.

### **Does the individual understand the product and its provisions?**

It is not enough to determine a prospect's needs and recommend an appropriate solution. If the applicant does not understand the product or its provisions, a suitable sale has not been made.

Agents must educate prospects and fully explain a product's features and benefits. Given the newness of LTCI, this is essential. Prospects are exposed to jargon they have never heard before and frequently don't question unfamiliar terms because they are afraid of appearing ignorant or uninformed. Agents must recognize this challenge and spend extra time explaining contractual provisions to prospects.

Any preconceived notions a prospect might have about the product must be explored and any misconceptions must be dispelled

before taking an application. This takes skill in asking the right questions and listening to the answers, both the words and the level of confidence in the prospect's voice. The agent must know how the product functions, how it is expected to perform, the needs it fills, and how

quickly; for example, a spouse can die or an investment can fail.

Retired people worry about having enough money to last their lifetime because they know they can't just go back to work at their last salary to rebuild their retirement nest egg. Circumstances change and, conse-

*"Retired people worry about having enough money to last their lifetime because they know they can't just go back to work at their last salary to rebuild their retirement nest egg."*

it fits into the prospect's total financial or retirement plan. This all takes time and patience.

### **Does the individual have the capability to manage the product?**

In trying to determine an individual's ability to manage an LTCI policy, too much attention is focused on the prospect's ability to pay premiums — now and in the future. Well-trained and qualified agents work with prospects in assessing their financial situation and determining whether excess income exists to pay the LTCI premium.

Then the prospect is asked to get out a crystal ball and try to look into the future to identify possible changes in their finances. Will these changes impact the future affordability of premiums? This is just the first of many steps involved in assessing a prospect's capability to manage the product.

LTCI products present an element of uncertainty to buyers. The choices to be made are different from the choices that have to be made in purchasing other insurance products. The options within those choices are extensive. Furthermore, a client's circumstances can change

quently, choices one made yesterday are not the same choices one would make today. All this can create considerable anxiety.

Clients should not have to manage their LTCI alone. A professional insurance agent maintains and nurtures a permanent relationship with his or her clients. This alleviates much of the anxiety people feel about their retirement and long-term care. Over time, the agent may need to make adjustments under the following circumstances:

- If the policy does not include inflation protection, the agent may have to adjust the daily benefit as the cost of care increases.
- The agent may have to adjust the elimination period after the client receives an inheritance and is willing to pay more out of pocket for the cost of care.
- The agent may have to adjust the benefit maximum because a spouse dies and the widow's income is significantly reduced.

*(continued on page 8, column 1)*

## Suitability In Action

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- The agent may have to adjust the covered providers because the only home care agency in the area goes out of business.
- The agent may have to adjust the inflation protection because the cost of care is rising at an unexpectedly high or low rate.

### Is the agent's recommendation in the prospect's best interest?

An insurance agent has one principal reason for calling on a prospect: to offer a product that will benefit the prospect. The agent must determine what is "beneficial" in relation to the totality of the prospect's situation: his or her needs, understanding, knowledge, motivation, acceptance and means.

A LTCI policy offering \$250 a day with automatic inflation and an unlimited maximum will benefit almost all individuals, but it is not practical or suitable for everyone. It is never in the prospect's best interest to buy more insurance than he or she can afford.

Suitability demands that the recommended product address the best interests of the prospect, not the producer. Putting the prospect's interests first ultimately serves the agent best. This fosters a relationship-driven, consultative approach to one's sales efforts and helps build the kind of client relationships that produces repeat business and referrals — the lifeblood of successful agents.

The rules of suitability are not precise, but at the same time they are not complex. Agents following one common sense rule will not

have their integrity questioned. The rule is don't recommend an option that doesn't fit the prospect's needs or wants. Hence, an agent who manipulates a product recommendation to suit his or her own needs for a higher commission before those of a client violates this simple rule. The agent who bases his or her recommendations on the client's needs, abilities and best interests conforms to the spirit of suitability.

Some people feel that there is a conflict of interest in having agents involved in such an important decision. Most agents receive their compensation for making sales, not for just providing information or service. But the agent will not make the sale unless the prospect is assured the agent is working in the prospect's best interest.

And most prospects need an agent to educate and motivate them to make a decision. An agent making a suitable sale is an advocate for his or her client.

The pledge of the Chartered Life Underwriter (CLU) perfectly sums up the spirit of proper suitability:

"In all my professional relationships, I pledge myself to the following rule of ethical conduct: I shall, in light of all conditions surrounding those I serve, which I

*"Suitability demands that the recommended product address the best interests of the prospect, not the producer. Putting the prospect's interests first, ultimately, serves the agent best."*

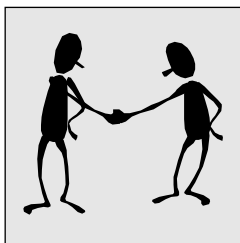
shall make every effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."

### Summary

There is no single definition for suitability. It's one of those concepts like "character" that one knows when one sees it. Regulators, consumers, agents and insurers are all striving to achieve a perfect balance of each other's needs to create the perfect market.

Suitability is achieved when a consumer makes the difficult decision to purchase a LTCI policy. Many entities and dedicated individuals have worked to shape the product into the viable insurance product it is today, a product poised for wide spread acceptance. This will only happen if agents, insurers and regulators strive to balance each other's interests in a spirit of cooperation for the purpose of making all sales of LTCI policies suitable.

***If you would like more information regarding this reprint, you can contact Robert Redman at Dearborn Financial Publishing in Chicago. He can be reached at [redman@dearborn.com](mailto:redman@dearborn.com).***





# ***LTCI Section Council's Meeting Minutes***

*Telephone Conference Call, Wednesday, August 23, 2000*

## **Council members available by phone:**

**Jim Glickman**, Chairperson  
**Amy Pahl**, Secretary  
**Gary Brace**, Treasurer  
**Anna Rappaport**  
**Greg Gurlik**  
**David Dickson**  
**Mike Abroe**

## **Council members not available:**

**Bart Munson**, newsletter editor  
**Loida Abraham**, Vice Chairperson  
**Peggy Hauser**  
**Andrew Herman**  
**Bill Weller**  
**Daniel Kahan**, Web contact

## **SOA staff available by phone:**

**Lois Chinnock**  
**Kara Clark**

## **Minutes**

Anna Rappaport reported that the September edition of *The Actuary* will contain an article on a Long Term Care panel. She also called to our attention that there will be a contest for papers in the same edition.

## **Annual Meeting Update**

Greg noted that recruiting has been completed for all sessions at the Annual Meeting. There is some overlap with presenters who are covering more than one session; this seems to be due to company representatives not planning on attending the Annual meeting. Greg commented that presentations must be submitted by September 15<sup>th</sup> for SOA

approval. Greg and Jim offered to preview presentations on September 14<sup>th</sup> before the September 15<sup>th</sup> deadline.

Anna commented that we might like to consider making material from the Annual Meeting available for outside publication. She offered to assist in reviewing presentations for candidates appropriate for publication.

## ***The Record***

Jim advised that one of the LTCI sessions must be cut from the *Record*. It was agreed that the Section Breakfast was not appropriate for the *Record* and was the logical choice to be cut.

## **Spring Meeting Coordinator (2001)**

The first meeting of Spring Planning Committee is September 19<sup>th</sup> in Chicago; the second will be in mid-November. No one stepped forward during the call, so Jim will try to recruit a coordinator in the short timeframe available.

## **1<sup>st</sup> Annual LTCI Insurers Conference**

The time and location are set for January 21<sup>st</sup> to 23<sup>rd</sup> next year in Miami, Florida. The conference is specifically for insurers. All the sessions have been planned and recruiting is well underway. Jim encouraged those on the call to volunteer to speak or to help in the recruiting.

## **Officers for 2000-2001**

We need to confirm with Loida that she would be willing to and can commit to being Council Chair. In most sections the vice chair does



move into the chair position. Greg Gurlik would be willing to be vice chair, as would Mike Abroe. Should Loida not choose to be chair, Greg Gurlik will be chair with Mike Abroe as vice chair.

Gary and Lois provided a quick treasurer's report. Gary Brace offered to continue as Treasurer.

The secretary position is available. Should no one step forward, Amy Pahl agreed to continue as Secretary.

## **Member Survey**

Jim will follow-up with Loida for a status on the survey. Anna offered to submit a couple of questions as the other Council members have done.

## **Other News**

Lois indicated that the SOA is looking for volunteers to help with editing sessions from the Spring Meeting for the *Record*. Contact Linda Blatchford if interested.

# Home Health Care Experience Analysis

by Bruce A. Stahl

**W**e often hear that we have only experience for old policies with old benefit qualifications. While I am not going to challenge this premise, I am asserting that we do have usable experience for policies with more recent benefit qualifications than three day prior hospitalization.

Many companies began issuing three-fold benefit triggers around 1990 and 1991, and the exposure is not insignificant. BAS Actuarial Services had a group of clients that included a fairly sizable database of homogeneous stand-alone home health care benefits and underwriting. As of 1996, the data

The data did not include post-HIPPA policy forms, and the benefit qualifications allowed for medical necessity, cognitive impairment, and a normal deficiency in two of six ADL's. They did not require a certification of chronic disability.

As for benefits, 95% of them had no elimination period, and the remaining 5% had an elimination period of 30 days or fewer. This is important because the incidence rates could be understated for policy forms where users of care have shorter lengths of care, and are not recorded. Furthermore, the failure to identify the elimination period could overstate the continu-

an adjustment to convert paid dates to service dates, which, without too much detail, we accomplished by measuring average times from the onset date to the first payment date, second payment date, etc.

A second example is the benefit period limitation. The data had benefit periods of 12-month intervals. We decided to analyze each month's probability of continuing to the next month, discounting the denominator for any claimants that would complete their benefit period that month.

## Observations

We observed several significant items from our statistical analysis of the data.

First, we found that incidence rates were higher at the younger ages and lower at the older ages than most assume for home health care. It appears that the age incidence slope is flatter than that of nursing home stays. One possible explanation is that the medical necessity trigger drives up the younger age incidence, while the cognitive and activity deficiencies are more difficult to service at home when the insured is older.

Second, we observed a relatively short selection period for home health care. By the fourth policy year, the incidence rate was virtually the same as those of the fifth, sixth, and seventh policy years. Again, the medical necessity trigger could contribute to this, although

*"BAS Actuarial Services had a group of clients that included a fairly sizable database of homogenous stand-alone home health care benefits and underwriting. As of 1996, the data included more than 75,000 life years of exposure and more than 3,500 eligible claims."*

included more than 75,000 life years of exposure and more than 3,500 eligible claims.

## About the Data

The issue ages for more than 95% of the policies exceeded 64 and covered policy years of 1 through 7 (more with early durations; fewer with later durations). They all had relatively light underwriting (though some used underwriting classes to support it), with 90-95% of the applications being issued.

ance rates, as brief lengths of service may not be recorded.

Most of the data did not include case management, and the initial reporting time was longer than experienced today.

## Overcoming Limitations in the Data

The database also had certain limitations that we needed to address. For example, we had to work with the initial date of service and then paid dates of claims. This required

the light underwriting probably contributes more.

Finally, the average length of service was relatively short. It was five to six months, a sharp contrast to the 16-18 months for a nursing home confinement. The medical necessity trigger probably contributes short lengths of service that weigh the average differently. Yet it is probably also true that home health care recipients have a higher probability of entry into another form of care (i.e., a facility) than do those who have been confined. This can be true even for those only insured for home health benefits, as the informal caregiver may choose it despite the formal assistance received. Such a decision could include many factors, such as the sense of inability to provide adequate care and the desire to

return to a more normal lifestyle.

This study was a start that we expect to improve or see others develop with enhanced procedures. In fact, following the completion of our study we found a study<sup>1</sup> of 1992 home health agency admissions (noninsured as well as insured) consisting of 2.6 million elderly. This study identified an average length of care equal to 7.4 months, a number which is much closer to our study than to nursing home confinements.

The BAS study may have had more weight from those qualifying by medical necessity, due to the higher weights of exposure in the early durations.

### Application

Obviously, the results of the study will require adjustments to reflect

differences in benefit qualifications, underwriting, and other contract provisions. Yet they offer a foundation for reasonable pricing assumptions and for projections of liabilities. This suggests that LTC insurers may find useful information from experience studies within four to seven years of rolling out a policy.

**Bruce A. Stahl, ASA, MAAA, is a consulting actuary at BAS Actuarial Services in Gibbsboro, NJ. He can be reached at [BASActuary@cs.com](mailto:BASActuary@cs.com).**

### Footnote

1) This is from *The Gerontologist*, Volume 39, Number 1, February, 1999.

## EDITORS WANTED

**A**re you interested in reading *Record* manuscripts before they are released onto the SOA Web site? We are attempting to improve the timeliness of the *Record*, but that depends heavily on you.

These manuscripts have already been edited by a freelance editor for grammar, style, and format. You would be responsible for reviewing the actuarial content of the manuscript.

We need volunteer actuaries to edit manuscripts from the 2000 SOA Spring and Annual Meetings. All you need is a little time and a red pen. The crucial specialties needed are Health, Health-Individual Disability and Long-Term-Care Insurance. Other specialties are open too!

Here's your chance to join the *Record* Editorial Board. You can be immortal! Your name will appear on the SOA Web site in the Meeting Table of Contents and in the Yearbook as a member of the Editorial Board.

If you are interested or want more information about volunteering, please contact the Chairperson, Rich Cruise at 402-421-5677 or by e-mail at [rcruise@lincolnmutual.com](mailto:rcruise@lincolnmutual.com).

## Editor's Column

by Bartley L. Munson

**T**here are merely three brief, but important, points to be made in this, our third, issue of *Long-Term Care*.

1. Our Section's collective special thanks goes to president Jim Glickman who conceived of the need for the LTCI Section, helped us create and organize it, and has spearheaded the activities noted elsewhere in Jim's column. Thanks, Jim.

2. There are several articles currently "in the pipeline." (They need to emerge, and will.) But, we — you — need more. We have had some articles that were volunteered. We need more of those, if the newsletter is to be what we all want. Send me your ideas.

3. As always we'd very much like to hear from you what you like or don't like about what has been written in your newsletter. We'll handle any controversy constructively, and we'd like to, very much.

The preferred route to reach me is through e-mail ([bartmunson@itol.com](mailto:bartmunson@itol.com)). I can also be contacted by fax



(920) 743-9255 or by mailing to my address (Bart Munson, Munson & Associates, 1034 Memorial Drive, Sturgeon Bay, WI 54235).

## Record Sessions on Long-Term Care Insurance Topics on the Web

### Seattle Meeting, June 1999

#### 55PD Long-Term Care Underwriting

*Panelists discuss the various styles of underwriting being used in individual and group LTC markets, such as full underwriting, "yes/no" style, modified guaranteed issue and guaranteed issues.*

### San Francisco Meeting, October 1999

#### 6PD Trend in Long-Term Care Product Design and Pricing Issues

*Panelists discuss LTCI product features, approaches in setting morbidity and lapse rate assumptions, state regulations and their impact on pricing issues, and current trends and theories in LTC underwriting.*

#### 740F A Review of Current Long-Term Care Insurance Studies

*Members of the SOA Long-Term Care Experience Committee discuss the results of its Intercompany Experience Study and the implications of its findings.*

#### 128PD Long-Term Care Regulatory Developments

*This session looks at what has been learned in the past two years from the creation of "qualified" long-term care plans. Companies now have additional information regarding interpretations from the Treasury Department, regulations and directives from insurance departments, and feedback from the consumer. Federal regulatory changes on the horizon are also discussed.*