

Long-Term Care News

Results from the SOA Long-Term Care Think Tank

by Emily Kessler

Author's Note: We acknowledge use of the WIFM concept as presented in Alan Stonewall and Elizabeth Moore's paper "Improving Pension Funding and Disclosures: What's in it for Me?" presented at the SOA's Symposium on the Future of Pension Plan Funding and Disclosure and to be published in an upcoming SOA monograph.

Overview

The Society of Actuaries' Long-Term Care Insurance (LTCI) Section sponsored a multidisciplinary "Think Tank" event in Washington, D.C. on July 27-28, 2005. This event was intended to focus on the most significant issues and trends that may impact long-term care (LTC) risks, care delivery and protection in the future. Participants were challenged to think strategically and creatively about how various aspects of the LTC market can be better managed for the benefit of all stakeholders.

The Section Council was very interested in having a wide variety of perspectives represented at this Think Tank. The invitation to participate was sent to individuals with backgrounds and experience in underwriting, claims, actuarial, marketing, group, and legislation/regulation as well as CEOs, the academic/think tank community, health care service providers and consumer groups. Professionals from the private LTC market represented the majority, but not all, of the event participants. (A listing of participants can be found in Appendix A of the full report.)

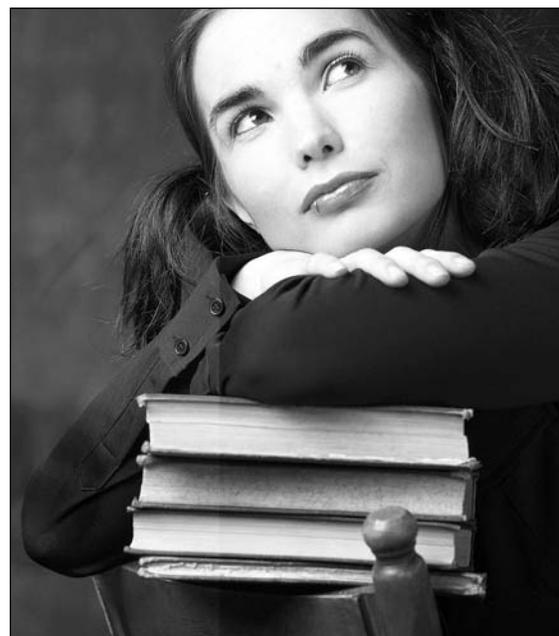
The report has been prepared for the SOA's LTCI Section Council and event participants. Over the next few months, the Section Council will be discussing the "big ideas" that emerged as a result of this event to determine how to move them forward. As appropriate, sister actuarial organizations, event participants and others in the industry will be invited to collaborate on the next steps.

Think Tank Structure

Risk, Delivery, Protection

In considering how the LTC market would evolve over the next five to ten years, event participants were asked to think about what would change in terms of LTC *risk, delivery* and *protection*.

- *Risk* was defined as the risk that an individual would require living assistance of some sort. New treatments for disease and changes in morbidity, for example, affect risk.



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Actuaries

The Best-Kept Secret in Business™

Long-Term Care News

Issue Number 16 • December 2005
Published by the Long-Term Care Insurance
Section Council of the Society of Actuaries
475 N. Martingale Road, Suite 600
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Phone: 847-706-3500
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This newsletter is free to section members. To join the section, SOA members and non-members can locate a membership form on the LTCI Web page at www.soaltci.org. Back issues of section newsletters have been placed in the SOA library and on the SOA Web site (www.soa.org).

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A Word From the Editor

New Changes on the Horizon

by Brad S. Linder

What happens when you gather a group of intelligent, informed and intuitive professionals in one place and ask them about the future of long-term care? Well, the results of that gathering have been summarized as our lead article. The "Think Tank" Meeting was the name of the gathering. It was held in picturesque Washington, D.C. Grab your popcorn and a refreshment because you'll be certain to hear a lot more as a result of this "hot" summer meeting! Not to spoil the story line, but the stars from this motion picture story are almost ready to involve us.



Editor
Brad Linder

I understand that the full report will, of course, contain all of the appendices. Plans are to make the full report available through the Society of Actuaries' Web site. Many thanks must go to Kara Clark and Emily Kessler for all their efforts.

What happens when you gather a very large group of intelligent, informed and intuitive professionals who happen to be especially willing to share their own expertise? Well, you have the Annual Intercompany LTCI Conference! It looks like this 6th annual conference will be another program packed with great sessions. Vince Bodnar was the coordinating author for the article on the upcoming 6th LTCI Conference events. Many thanks go to Vince and the Track Chairpersons for writing the descriptions. Look for the program brochures to arrive in your mailbox very soon! What a wonderful conference to look forward to. *

LTC Newsletter Publication Schedule

Publication Month	Articles Due
March 2006	January 1, 2006
August 2006	June 1, 2006

- *Delivery* (or delivery of care). If assistance is needed, how will that living assistance be provided? Care could be provided by family members, friends or paid providers. It could be provided at home, at a hospital, in an institution (e.g., continuing care communities, assisted living facility) or through another venue.
- *Protection* is defined as any of the private or public options available to individuals to protect themselves against LTC risks. This protection could be provided in two ways. First, it could minimize need for care in the first place (e.g., vaccinations for Alzheimer's Disease). Second, it could finance care if care is needed (e.g., Medicaid, LTCI, reverse mortgages).

Only when we understand how these three aspects are evolving can we understand where the market is headed.

Survey

The "risk/delivery/protection" framework was first presented to participants in a survey that participants took prior to attending the seminar. That survey was designed to get participant opinions on how the system might evolve over the next five to ten years. The results of the survey determined what issues were further explored in the Think Tank.

The survey asked questions regarding approximately 50 specific trends. The trends were loosely grouped in broad categories of economic/regulatory changes, medical care/delivery, consumers and insurers. For each trend, participants were asked: "What is your perception of the likelihood of significant activity or change over the next five to ten years in each of these issues or trends?" Secondly, participants were asked: "Assuming this activity or change in a particular area were to occur over the next five to ten years, please indicate the most relevant level of impact for each of these issues and trends as they pertain to risk, delivery and protection."

A more detailed discussion and complete set of the survey responses is included in Appendix B of the full report. Highlights of

the survey results appear at the end of this article.

Key Drivers for the System

In discussing the survey results, Think Tank participants came to a consensus as to six significant issues or trends that are driving changes in the LTC system. Participants used the survey results, their interpretation of and reaction to those results, as well as other knowledge to develop the issues on which to focus the rest of the Think Tank discussion. The six trends that were focused on, and some topics that fall under those trends, are:

- Public Funding
 - Medicaid Funding Crisis
 - Medicare Reimbursement Policy
 - Public Values/Expectations
 - Intergenerational Wealth Transfer
- Changes in How/Where Care Delivered
 - Tight Labor Market
- (Likely) Morbidity Improvement
 - Changes in Alzheimer's Disease
- Demographic Age Wave
- Availability of Capital
 - Global Perspective
- Underwriting/Anti-selection

These six trends became the focus of the discussion as participants first further fleshed out the issues and their implications and then worked out alternatives for potential solutions.

Stakeholders

Once we had identified what was driving the system, we could then talk about the system's stakeholders. Broadly, we decided to categorize stakeholders as:

- *Consumers*. Consumers include patients (those currently receiving care) and insureds (those who have purchased protection but are not yet receiving care).
- *Financiers*, or more simply, those paying for care. This includes a wide range of people including consumers and their families, insurers and taxpayers/government (both federal and state).

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The value of the house is excluded from Medicaid, but Medicaid has, technically, the right to recapture the home value once the estate is settled.

- *Caregivers*, which includes both familial and nonfamilial caregivers. While familial and nonfamilial caregivers are included in the same category, it was acknowledged throughout the Think Tank that the needs of these groups are often different.
- *Society*, which we represented by the taxpayers and government (both federal and state).
- *State regulators* who regulate insurance products.

Different individuals could play several stakeholder roles, such as consumer, taxpayer, caregiver and financier. Individuals can also play different roles at different points in their lives.

WIFMs

To be able to talk about stakeholders, and how they react to each other and to changes in the system, we used the concept of “WIFMs,” or “What’s in it for Me?” Each stakeholder has wants, needs or desires from any LTC system. Any change in the system has to be viewed through the lens of each stakeholder’s needs and desires. For shorthand, the participants in the Think Tank used “WIFMs” as a way of discussing those needs and desires.

When changing any system, it’s important to understand the WIFMs of the stakeholders. Any changes made to the system should satisfy as many of the WIFMs of the major stakeholder groups as possible, or should at least not violate the most significant ones. Often WIFMs will be contradictory both between stakeholder groups and within individuals who have multiple stakeholder roles (e.g., the individual acting as both patient and taxpayer).

Consider improvements to the Medicaid system. Taxpayers won’t like any improvements that increase taxes. But, caregivers, both familial and nonfamilial, may like the improved level of protection available. So, these groups have different views of improvements to Medicaid. Moreover, any individual is likely to play several roles in the system: consumer, taxpayer, caregiver, and financier—either simultaneously or at different stages of life. So, any individual

may have very different views of the changes to the Medicaid system, for example, depending on whether he is looking through his taxpayer lens or his lens as a consumer of LTC services.

In order to understand the various frameworks stakeholders will use to evaluate market changes, participants in the Think Tank outlined the major WIFMs for different stakeholder groups. The summary of stakeholder WIFMs is found in Appendix C of the full report.

Big Ideas

Participants spent the afternoon of the first day working with the trends and stakeholder WIFMs to determine possible directions for the LTC system. Each table was assigned one of the six macro trends described above and was asked to discuss the effects of each trend with respect to all aspects of the LTC market. Participants were asked to consider how this trend would affect risk, delivery and protection. Finally, they were to keep in mind the different stakeholders and their WIFMs. A detailed summary of these discussions is found in Appendix D of the full report. These discussions were to flesh out the issues raised by the trends, and how these issues might affect stakeholders. Once those issues are known, we can move to find possible solutions.

Based on their discussion of the previous afternoon, participants returned the next morning to develop concrete solution proposals. Participants split into five tables; each table brainstormed various ideas for possible development. The brainstorming exercise was intended to be “blue sky;” current regulations, market barriers, et cetera, were ignored. A complete list of the brainstormed ideas is found in Appendix E of the full report.

Once each table identified its two or three favorite ideas, they developed these and tested them against stakeholder WIFMs. Also, tables identified potential stumbling blocks to the realization of each particular idea. Each table presented its ideas, and all participants then voted for their favorite idea. All ideas that were presented are summarized in Appendix F of the full report.

Two of the five favorite ideas involved repackaging or rebranding existing Medicare/Medicaid benefits. The other ideas were more long term in nature. The five ideas that got the most votes were:

- Reform Medicaid to Take out the “Loan” on Home Value (29 votes)
- Short-Term Product with Government Catastrophic Insurance (26 votes)
- Repackage Medicare/Medicaid Benefits as “Medicare Part E” (18 votes)
- Tax Incentives for LTC Insurance (15 votes)
- LTC Financing Reform/National LTC Initiative (15 votes)

A. Reform Medicaid to Eliminate the Government’s Role as Home Value Lender

This proposal focuses on changing a current Medicaid practice. The value of the house is excluded from Medicaid assets when determining eligibility for Medicaid, but Medicaid has, technically, the right to recapture the home value once the estate is settled. This can be well after the LTC recipient has died, if there is a surviving spouse or disabled adult children. This proposal is to eliminate the government’s role of providing interest-free loans by establishing a private and/or government loan system to capture house value, similar to Fannie Mae. This private system would loan money on the house and the LTC consumer would be able to elect how to spend that money on care. When determining pure eligibility for Medicaid, the house would not be an exempt asset, although the value of the house would be considered net of any outstanding loans. The effect would be the same, but the government would not be the lender.

More details on a similar concept are found in Appendix G of the full report.

B. Short-Term Product with Government Catastrophic Insurance

In this proposal, individuals would be required to privately purchase LTCI (or another product) to cover a short-term period of need, with a taxpayer-financed program providing coverage beyond the short-term period. The group proposed a



three-year period, but this detail would need to be worked out. Key features of the proposal are as follows:

- Each individual would be required to carry short-term LTC coverage, much as states have been moving to require auto insurance or banks to require fire insurance on mortgaged properties.
- While the short-term coverage would be mandatory, the government (taxpayers) would pay for short-term coverage for those of low means. In this case, housing value would be counted in the means testing.
- Insurers and others would offer products to cover the three-year period. By limiting the coverage period, other possibilities for coverage could open, including reverse mortgages and bonds. Reverse mortgages might be limited to those 55 and older. Bonds could be provided by a Fannie-Mae type organization.
- The government program would cover LTC needs beyond the three-year period. This program would be universal (not means-tested). In this way, the government is assuming catastrophic losses, with “catastrophic” being defined as the term of coverage.

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When testing the stakeholder WIFMs for this proposal, the team felt that stakeholders would react in the following manner:

- Consumers would have a mixed reaction to the proposal.
- Society would also have a mixed reaction; there is a great deal of political risk in this proposal.
- Nonfamilial caregivers would see the proposal as positive.
- Familial caregivers would have a positive reaction to the program.
- Third-party payers such as insurers would have a mixed reaction (probably similar to their reaction to Medigap/Medicare).
- Regulators would have a mixed reaction.
- Capital markets would have a positive reaction.

C. Medicare Part E

Some parts of LTCI are provided through Medicare, but most are provided through Medicaid. Medicaid has the stigma of being a welfare program, while Medicare is seen as universal medical coverage, with no attached stigma. Medicare and Medicaid interact with each other in a complicated and difficult to understand manner. This proposal would pull all LTC benefits together and put them under the Medicare umbrella (“Medicare Part E”). Existing benefits would be repackaged and rebranded to increase understanding with minimal additional cost. Medicare Part E coverage would be mandatory

(similar to hospital insurance). Medicare Part E supplemental plans could be offered by the insurance industry similar to traditional Medigap plans. These would be voluntary plans on the part of participants.

D. Tax Incentives for LTC Insurance

Different variations of this idea were discussed. This included above-the-line tax deductions and 401(k)-style plans to pay for LTC. Additional variations were for using IRC Section 125 to permit pretax savings for LTC or to purchase LTCI. One idea was that the tax incentives might vary based on the benefit design and the amount financed (more incentive for funding more care).

In terms of WIFMs for stakeholders, most stakeholders would find this positive with the taxpayer/government/politician stakeholder finding this negative because of lost tax revenue. Participants in the Think Tank thought this could be fixed by considering affordability and flexibility. A revenue source would need to be identified and the tax effects would need to have a proven benefit in a cost/benefit analysis.

E. LTC Financing Reform/National LTC Initiative

These were two separate proposals that were similar.

The first part of LTC financing reform would be to restrict and enforce Medicaid regulations so that Medicaid only provided coverage for needy. Vouchers to purchase coverage would be provided to low-income patients. Those who could not qualify for private insurance would have a risk pool available. Some sort of catastrophic coverage would be included, possibly with a means-tested element.

As part of the LTC financing reform, government/insurer partnerships similar to Medicare Advantage could be established. These would encourage private LTCI coverage and allow the insurers to leverage branding, credibility and backstop. Insurers in return would provide products for coverage gaps.

The other idea, a national LTC initiative, is a public/private partnership that offers simplified, standardized plans. Optional benefits would be allowed under this system. The private policy pays up-front cost and the taxpayer (government) picks up tail risk. This initiative would not mandate private coverage for the up-front cost. *



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Appendix B: Highlights of the Survey Results for the SOA Long-Term Care Think Tank

Highlights of survey results are summarized below.

Economic/Regulatory

Under the economic/regulatory heading, survey respondents felt the strongest likelihood of change or activity would be relative to federal policy addressing the Medicaid funding crisis. Other “likely” changes (in the minds of the respondents) included:

- Changes in Medicare reimbursement policy;
- Changes in federal tax policy;
- Increasing regulatory complexity at the state level;
- State regulation on pricing stability;
- Emergence of state partnerships.

In almost universal agreement, the one change that respondents felt was extremely unlikely was the adoption of a universal LTC program. This is the only one of the survey questions on which there was universal agreement that this was an unlikely change.

Changes in Medicare reimbursement policy and the Medicaid system were seen to impact both delivery and protection systems. Other changes, such as changes in federal tax policy, increasing regulatory complexity at state level, state regulations on pricing stability, and the emergence of state partnerships were seen as mainly affecting protection systems.

Medical Care and Delivery

Survey respondents felt very strongly, and were in strong agreement, that changes in medical care and delivery were highly likely. Likely changes or areas of activity relative to medical care and delivery included:

- Tight labor market for home health care providers;
- Increased ability to identify genetic markers;
- Changes in the treatment of Alzheimer’s Disease and other dementias;
- Increasing number of assisted living facilities.

Responses were mixed as to how the respondents thought changes to medical care and delivery might affect risk, delivery and protection. Not surprisingly, the most likely impact was seen to be on care delivery. Few changes in medical care and delivery were seen as having an impact on protection. The one area that was seen to have an impact on all three areas of risk, delivery and protection was changes in treatment of Alzheimer’s Disease and other dementias. The only other factors affecting risk were big picture changes: morbidity improvements and mortality improvements.

Consumers

The consumer issues most likely to see activity and/or change in the next few years (again, in the eyes of the survey respondents) were:

- Demographic age wave (aging of the population);
- Need for consumer education;
- Ability to access LTC policies through workplace benefit programs (e.g., group LTC, worksite marketing);
- Change in generational characteristics of consumers (attitudinal, risk, etc.).

The demographic age wave was seen to affect all of risk, delivery and protection (with risk being the least affected of the three areas). And the ability to access LTC policies through workplace benefit programs was seen as impacting protection. But, of the other areas where participants felt change was likely, there was no agreement whether risk, delivery or protection mechanisms would be affected.

Insurers

When considering the insurance market there were not as many strong trends shown in the survey as to what changes there would be, or how these would affect the system. This may be partly because some respondents may not have had a sense of where that market was heading (many more respondents declined to answer the survey questions in this section).

Of those respondents who answered these questions, the most likely changes were seen as:

- Increased attention to managing claims according to policy provisions;
- Anti-selective knowledge on the part of consumers;
- Impact of technology (on sales/marketing, administration, marketing, etc.);
- Need for agent training;
- Improved underwriting techniques;
- Investment markets/returns.

Not surprisingly, these changes were seen to potentially correlate with changes in protection mechanisms, but as noted earlier, this was the section of the survey where there was the least agreement and where the fewest responses from survey respondents were given. In discussions with the participants at the Think Tank, improved underwriting techniques and the availability of capital (a new item), were seen as crucial factors affecting the LTC system in the future. Availability of capital refers to the willingness of capital markets to fund LTCI (e.g., buying insurer stock, issuing bonds to cover the liability). It was noted that capital availability is difficult for this product partly because of the nature of the product (long tail on the liability) and also because of general global demands for capital that provide other, more desirable investments. *

Upcoming Events: The 6th Annual Intercompany LTCI Conference!



Keynote Speaker

The Honorable Dorcas Hardy, policy chair of the 2005 White House Conference on Aging, will share some of the possible solutions that are percolating through the results of that conference, which adjourns on Dec. 14, 2005. Ms. Hardy brings political acumen and a wealth of experience in retirement financing and entitlement reform policies.

Actuarial

Reflecting the increasing maturity of the LTCI industry, the Actuarial Track will present sessions that challenge and inform both the experienced and the less experienced LTCI actuary. Actuaries new to the field will benefit as they are exposed to higher-level concepts and to seasoned LTCI actuaries. Within each session, we will move quickly through the fundamentals of an issue, allowing more time for advanced material.

The sessions will have a focus on issues that actuaries working with maturing blocks of LTCI face today, along with innovative approaches and initiatives to address the challenges shaping the industry for tomorrow's growth. The interdisciplinary sessions will focus on the value of collaborating with other disciplines and the

potential for actuaries to apply their skills to assist in solving problems in multiple areas of a company.

Claims

Meet claim experts from a variety of companies. They will be sharing their experience and knowledge about process improvements within the dynamics of an evolving care delivery environment. Innovations in treatment, claims data analysis, and informal care and their respective effects on best practices will be discussed.

Compliance

Building off the "Focus on Solutions" theme of this year's conference, the Compliance Track will offer four sessions. The first session, titled "Compliance Solutions," will help compliance professionals answer the questions: How do you know if your compliance efforts are working? What business solutions exist? How can my company establish trust and confidence with consumers?

The panel discussion will cover the LIMRA "CAP" process (Customer Assurance Program) and the IMSA Assessment process (Insurance Marketplace Standards Association). For LTCI companies, CAP offers a simple, cost-effective means of determining whether customers really understand what they have purchased. IMSA promotes high ethical standards in the sale and service of many insurance products, including LTCI. The internal assessment process, coupled with an assessment by an independent examiner, helps companies confirm whether they meet high standards of ethical market conduct. The discussion will attempt to bridge these tools with real-world experience in order to show other companies how such tools can be integrated into their organizations.

Keeping up-to-date with legislative and regulatory initiatives at both the federal and state levels is always important to compliance professionals. The Compliance Track will host a panel discussion on what is happening at the NAIC Senior Issues Task Force related to the Long-Term Care

Insurance Model Act and Regulation, as well as efforts in Washington to expand LTCI partnership plans, adopt an above-the-line tax deduction, allow LTCI to be offered through cafeteria plans and Flexible Spending Accounts (FSAs), and the interest in combination products. Also, the panel will explore the current state of the Interstate Compact and its effect on the LTCI industry.

Sometimes, "solutions" include a good healthy dose of preventive medicine. With that thought in mind, the Compliance Track will present a Class Action and Litigation Exposure Prevention seminar. Attendees can benefit from "lessons learned" by carriers who have faced LTCI-related class action lawsuits. Additionally, our panel of experts will offer practical advice and tips to help prevent lawsuits from disrupting your company's business.

Finally, during the interdisciplinary day of the conference, the Compliance Track will tackle the criticism leveled at our industry head on by bringing together a cross-functional panel of experts with a goal of "fixing" what some people think is "broken." What's right and what's wrong with LTCI? Have we overcomplicated the product? Is a simpler product design a cure for what ails us? Join us for a lively discussion.

Field Marketing

What worked in the mid-'90s doesn't necessarily work now! The 2006 Conference will take a look at what IS working now in marketing and how the most successful producers in the country make it happen. The latest research will also be explored to understand how to better communicate with prospects and clients so that the message is heard and understood. Agent liability issues will also be explored to head off trouble before it starts. From the seasoned, credentialed professional to those just entering this challenging specialty, come hear about the solutions that you can put into practice now. Come meet and exchange ideas with the best in the business and learn how to be part of the solution!

Group

The 2006 Group Track will have a wide range of topics covered in five separate sessions. Several of these should be of interest to both those in group and those in individual LTCI.

One session will be a discussion by a panel of experts on how group and multi-life products can co-exist. Often in today's marketplace, true group products find themselves competing head-to-head with group-like products, going by a number of names. Our experts will sort out what products are out there and suggest how these products can co-exist in ways that make sense for insurers and their customers.

Group LTCI is affected in unique ways by the ever-changing legislative environment. At the federal level, there are congressional employment and retirement proposals, as well as proposals to expand Medicare. One of our Group Track sessions will bring the audience up-to-date on what is happening, what proposals now on the table could affect group LTCI and how group carriers can adapt if they are enacted.

One unique aspect of group insurance is the opportunity to grow the size of the group in the years following issue. During this session, we will examine how to achieve profitable growth while building a successful, long-term relationship with your clients. Real case studies will help demonstrate what strategies have been successful and how to avoid failure.

Rate increases on in-force business have been made by several individual LTCI carriers, but we have seen little or no such increases in group LTCI. This interactive forum will engage the audience in a discussion of why this is so. Are there differences in the group product itself, or in the type of group benefits typically sold that can explain the lack of increases? Will we be seeing group LTCI rate increases in the future?

One reason sometimes offered to explain the relatively low participation rates seen in the group LTCI marketplace is that the product is too complex and does not fully meet the needs of employers and employees. In this session, we will offer suggestions on how group LTCI products can evolve to better meet these needs. Both the panel and the audience will be challenged to create innovative new designs for the future.

Home Office Marketing

This year's sessions focus on the education and marketing challenges the industry faces today. As states and the federal government

**Sometimes,
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medicine.**

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contemplate significant changes to Medicaid as the payer of last resort for long-term care, private financing options, including insurance, have an even more critical role to play. But the marketing playing field has been a challenging one—with rate increases, industry consolidation and consumer resistance to acknowledging or understanding the need for this product. Some companies are leaving the market. For those who remain, how do they plan to grow and thrive? A CEO-panel discussion examines the major strategic marketing decisions companies have had to make to survive and thrive in this market.

The session focuses on the “how and why” of new product positioning, market segment and distribution channels, and exploring the risks and rewards of those new initiatives. Also, the Marketing Track explores current federal, state and private sector initiatives to raise consumer awareness about the need to plan for long-term care. Is anything working? What else should we be doing?

We also look at the marketing challenge from the perspective of both field and home office through a dynamic dialogue exploring why sales are down and what can be done about it. On the group side, experts identify and analyze the current “best marketing practices” for positioning LTCI as an employee benefit. The Marketing Track will

provide the latest insights into results of the industry’s 15-year study of buyers, nonbuyers and the general population regarding awareness and interest in insurance. We provide important updates on research and creative initiatives to expand and enhance marketing success for this important product.

Management

The recent history of our industry has been one of carrier exits, declining sales, in-force rate increases and consumer indifference. And yet for those who see this market as the next great frontier, income stability and sales growth signal that there is momentum and tremendous market potential behind the headlines. Our Management Track will focus on understanding how this industry is changing and the opportunists who will shape it into the next decade.

The sessions will be designed to understand and honestly face the inside and outside views of our industry, to detail the issues of public policy, to discuss the complexities of managing a company through these issues, and to learn how companies might need to evolve to be successful in the future. Our interdisciplinary sessions will be devoted to understanding the importance of harnessing the strengths of every discipline to ensure the success of the enterprise.

The sessions will be geared to anyone with a desire to learn more about managing an LTCI company in challenging times and how solid business leadership can be the difference between success and trying something else.

Operations

The Operations Track will deliver four sessions at the SOA conference in Anaheim. We are structuring our sessions to follow the “Solutions” theme of the conference and to be specific to LTC insurance, as opposed to general insurance operations needs. One session will be on how to make an outsourcing decision and how to make the outsourcing relationship work well for both the insurer and the vendor. Another session will be on leveraging six sigma quality methodology and best practice



development to improve LTC operational efficiency. Another session will focus on leveraging new and emerging technology to improve LTC operational efficiency. Finally, the last session will focus on how the LTC operation will be impacted by the use of the universal ACORD application.

Policy and Providers

Delivering insight into what shapes LTC services and the government policy shifts that define its parameters for payment and providers, this new track hosts sessions that investigate trends in alternatives to institutional care; in government funding; and in policy changes around the use of home equity. It also presents a report on the Medicaid Commission's progress in developing new programs and processes for Medicaid. Also, an update to the Think Tank, hosted by the LTCI Section of the Society of Actuaries, will be given.

Underwriting

In six sessions, Underwriting focuses its expertise on technology and communication solutions. We will be exploring best practices for evaluating current medical tests and outcomes, the effects of advanced medical technology, the means of gathering the data, and how to provide up-to-date information for all levels of underwriting staff. Other sessions will review the give-and-take in communicating with the field as well as the workflows necessary for excellence in the future.

CEO Forum

In an era of market-pressuring investment yields, slumping sales, carrier volatility, regulatory reform, price instability, consumer indifference, disappointing experience emergence and uninspiring returns, many companies are thriving in LTCI. Our panel will be composed of the CEOs from some of the very best of these highly successful organizations who seem to know something that perhaps others have missed. They will spend a couple of hours taking your questions and sharing with us why they remain so bullish on this industry.

The intent of the session will be to permit more questions from the floor than ever

before and to provide a forum for our panelists to share their infectious enthusiasm for both the future of the LTCI industry and their vision for shaping it.

No one whose career is in any way tied to the success of our industry should miss this session!

Distributors Roundtable—Relationships in the Triad—Recruiting and Selling

An essential element to success in the evolving LTCI marketplace is a better understanding of the relationship among Producers, MGAs and the Home Offices. Seen from these three perspectives, this session will deal with more clearly defining what expectations should be—and what the industry's capabilities really are! The session will also look at the next step: communication. How does the "Chain of Order" communicate? Do we need to "Watch our Terminology?" Do we really hear what is said or something different based on personal business orientation and life experiences? The Sunday session will give the "Triad's" take on the effect these challenges have on recruitment and sales. *

The intent of the session will be to permit more questions from the floor than ever before...



SOCIETY OF ACTUARIES

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