



SOCIETY OF ACTUARIES

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2013 ILTCI Conference Recap

The 2013 Intercompany Long-Term Care Insurance (ILTCI) Conference was held March 3-6 in Dallas, Texas. The theme of the conference was “Utilizing Technology and Balancing Risks”. Before the conference officially began, there were several opportunities for participants to expand their LTC knowledge such as the CLTC Master Class, the SOA LTC Section Council meeting, and the LTC Think Tank session. There were networking opportunities at the Exhibit Hall Reception and the SOA/ILTCI reception.

The conference officially began on Monday morning with the keynote speaker, Frank Abignale. In addition to the opening keynote, Mr. Abignale also led a session on fraud. There were 48 educational sessions from 10 tracks. Finally, the conference concluded with an Exhibit Hall Reception and Casino Night on Tuesday. On Wednesday, there was a post-conference Actuarial Professionalism Session.

CLAIMS TRACK

The 2013 Claims Track included a number of diverse sessions. The one that caused the most buzz was a session called ‘Deal or No Deal? A Care Debate’ in which care providers took input from the audience on how involved providers should be in the claims process. A session called ‘What Can We Learn from DI?’ helped us to explore processes in the DI world that might cross over to LTC. ‘The Quest to Preserve Home Care Benefits’ used a Family Feud format to help us learn more about what claimants want vs. what carriers want when it comes to independent caregivers. A session called ‘Social Media, Surveillance, and Interviews’ helped us understand the options available to us for investigating a suspect claim. The ‘Claims Roundtable’ session (back by popular demand) allowed the audience to voice their views on critical claims topics. And, last but not least, for the first time ever, we offered a session where Nurses in attendance could earn CEUs while learning about ‘Managing Multiple Chronic Conditions Long Term’.

SALES TRACK

The Sales Track featured three sessions. The first covered a provocative subject, “Is the LTCI Specialist the Next Endangered Species?” Scott Williams,

Vice President – Sales, John Hancock Financial Services, spoke from the carrier’s viewpoint. Terry Truesdell, President/CEO of the National LTC Network and Sales Track Co-Chair, expounded from the point of view of the broker, and Mike Skiens, President of Master Care Solutions, Inc., represented the point of view of the individual agent. All three agreed that the LTCI Specialist is indeed an endangered species if the specialist fails to make major adaptations to the changing conditions of our industry. This session was well attended and produced spirited questions from the audience.

The second session was entitled, “Partnering for Sales” Steve Cain, National Sales Leader of LTCI Partners, chaired this session. Bill Dyess of Dyess Insurance Services, Inc. talked about partnering with associations. Nathan Sanow, Business Development Manager for Master Care Solutions, centered his presentation on employer groups. Both speakers emphasized the increasing role of partnering in order to provide expert advice to consumers.

The third session emphasized technology and discussed “How to Sell the Lead Remotely.” Phyllis Shelton, President of LTC Consultants and a very experienced LTCI broker, chaired this session. Jonas Roeser, President of the 3in4Need More Association, a gifted marketer, brought his experience working with internet marketing to the session from paper click to the use of social media. Katie O’Rourke, Managing Partner of California Long Term Care Insurance Services, educated the audience on how to prepare for the remote sale. This session was lauded for its nuts and bolts approach to remote selling.

UNDERWRITING TRACK

The Underwriting track focused on the conference theme of “Utilizing Technology and Balancing Risks” by producing several sessions on how technology offers the potential in the future to change the landscape for underwriting practices across the industry. Specifically, “Genetic Testing: Underwriting Risk or Fear?” focused on new technology that was specific to genetic testing information and the latest developments related to potential impacts to the industry. The “Obesity: Understanding the

Risk” session discussed the near- and long-term risk of obesity and related health conditions in order to bring awareness about the potential future impacts on risk evaluation strategies. The ever-popular “Meeting with Medical Directors” session led to some healthy discussion around technology and industry trends associated with anemia, tremor and cerebrovascular disease. This most informative session also allowed the medical experts to highlight the importance of determining the etiology of certain diagnoses and symptoms and quantifying risk associated with possible underlying conditions that may negatively impact risk. Lastly, “Actuaries and Underwriters—You Do That?” along with “Opposite Opinions or on the Same Page?” too proved to be a hit with attendees. As to no surprise, this was another year where underwriting experts openly discussed long-term care insurance (LTCI) underwriting challenges (present and future) and lessons learned.

MANAGEMENT TRACK

The Management track developed five new sessions for the 2013 conference, beginning with a session pertaining to personnel development in the LTCI industry. This session explored the challenges and best practices in creating high-performance teams. The speakers in this session shared pros and cons of various recruiting methodologies, showcased an array of methods used to develop current talent as well as aid in retaining existing talent. The Management Track collaborated with the Actuarial Track to produce the session titled “Management View of Capital and Other Financial Matters.” This session provided an open forum to examine financial concerns and considerations of management, and provided insights from a rating agency and investor community perspective.

In consideration of recent trends and changing regulations pertaining to rate increases, a panel of industry experts presented a session on managing rate increases from the actuarial and legal perspectives. The panel discussed experiences with rate increase filings and shared their predictions on what to expect from regulators and the industry in 2013 and beyond. The panelists on the “Outsourcing” session shared their experiences on the types of

services that can be outsourced. They led an interactive discussion on the key decisions to be made in determining if outsourcing is the best approach. The final Management Track session, “Executing Operational Change in LTC,” drew a large crowd of conference attendees. The presenters provided three different perspectives of LTCI management. The speakers shared their experiences on managing the impact of evolving regulatory, product and technology changes, as well as customer expectations.

ACTUARIAL TRACK

For the 2013 ILTCI Conference, the Actuarial track produced five sessions. During the “Morbidity Improvement” session, two approaches to measuring improvement in company experience were discussed. This was certainly a session not to miss, as, due to confidentiality concerns, neither the presentation nor the recording is available post-conference. “Valuation Hot Topics” addressed the many-faceted question of whether active life reserves should be held on disabled insureds. The session also reviewed valuation considerations after rate increases and for combination products. In “LTC Claims Management,” speakers discussed the latest claims management techniques while also laying out potential methods and pitfalls in measuring claims management effectiveness.

“LTCI in a Low-Interest Rate Environment” started with a review of the current investment environment and potential pathways from this point forward. Bruce Stahl discussed why there might actually be some good news with low interest rates (for background on this topic, see Bruce’s “Aspirin, Not Morphine” article in the September 2012 edition of *Long-Term Care News*), while Heather Majewski discussed an innovative product designed to address the challenges of low investment returns. “Advanced Actuarial Topics” was a lively session discussing the challenges of applying credibility methods to LTCI work, why using a total lives approach in your work can lead to very non-intuitive results, and experience study best practices and pitfalls. After the conference, many actuaries took advantage of the interactive SOA Professionalism

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Course to earn three CE professionalism credits. The track chairs want to thank the producers and speakers for creating a slate of thought-provoking and informative sessions.

OPERATIONS AND TECHNOLOGY TRACK

The Operations and Technology track produced four sessions this year: one that addressed a complex interdisciplinary process in insurance company operations, and three that focused on some of the technology advances being introduced in companies this year. Reinstatements have continued to challenge insurance companies as they receive an increasing number of requests to reinstate a policy after it lapses. This decision involves regulatory and legal analysis, underwriting assessment and the premium operational areas. After presenting legal updates, compliance procedure recommendations, and tips to manage the risks and challenges, the session used online polling to determine how session participants would respond to reinstatement requests. It was informative to see how additional information changed the decision for some disciplines, while others stayed firm on their initial decision based on key facts. The interaction of multiple disciplines on this topic made this an interesting and helpful session based on evaluation feedback.

“Power Tools” was a session that introduced straight-through processing and mobile applica-

tions that companies are developing. These power tools streamline communications from the field to the home office and expedite transactions between the agent and the applicant. The process for straight-through processing included quoting tools, integration of field underwriting, completing the ticket with a mobile device, fulfillment of application and requirements, the e-delivery of the policy/contract, and commissions paid. The benefits and regular status updates were well received by the audience, and feedback was positive for the value this provides and the time savings for producers to continue selling.

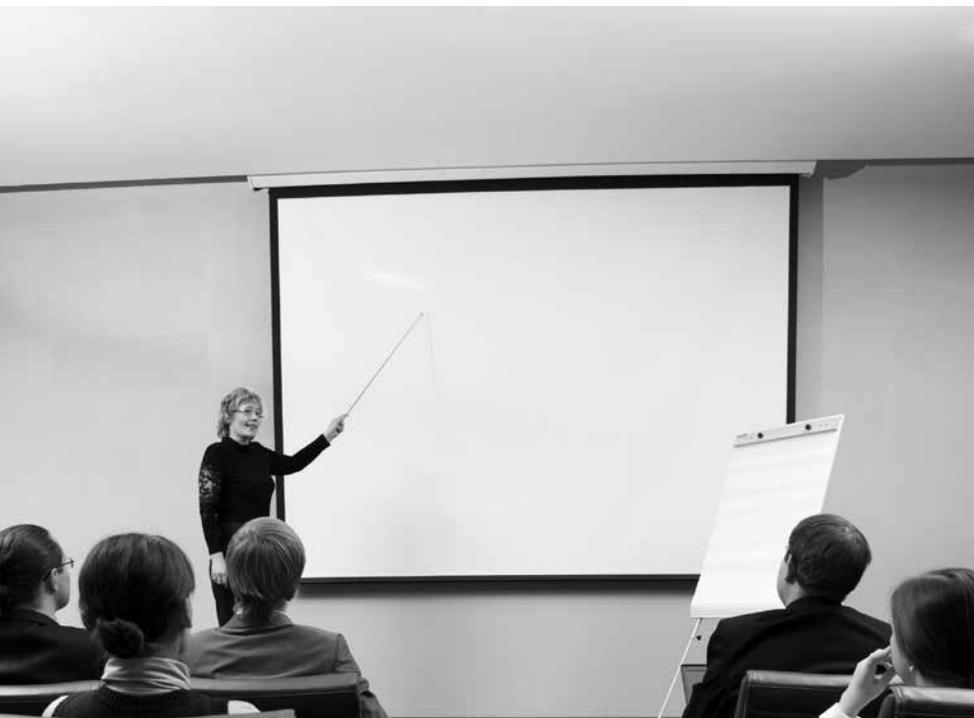
A second company discussed its field facing application, which leverages this tool for the home office use. It is a solution to the field teams who often do not have office resources available to them in homes and on the road. The Quick Estimate program is an application that provides first-year premium estimates, medical impairment risk class estimates, age and amount underwriting requirements, and product brochures. Quick data entry customizes the results and provides a valuable field and home office resource. Key to the success of the application are the business rules development system and the standardized risk assessment. This was very well received, and development is ongoing for multiple technology platforms.

TECHNOLOGY SESSIONS

There were two technology-specific sessions at the ILTCI Conference. “E’ Initiative” gave an overview of the work from the LTC Business Technology group. Started in 2011, this group has been focusing on e-application and e-contracting. E-application, headed by Andy Falvey, has industry enthusiasm around developing a quick ticket approach with the collaboration of the LTCI carriers in the industry. E-contracting has been working on breaking down the wall between electronic contracting packages to the carriers with true STP. The other technology session was “Security/Compliance in a Paperless World.” Attendees heard from two top data management companies as to how they protect against hackers and identity thieves, as well as a deep dive into the laws that protect our businesses.

POLICY AND PROVIDER TRACK

The Policy and Provider track sponsored five sessions covering a diverse range of looking-forward topics. One session examined various studies and demonstrations of care management for chronically ill patients in the health care arena. The potential for similar positive impact on long-term care is



quite inviting. There were two sessions on product innovations. One session described an extension of home care services under the Continuing Care Retirement Communities model. This unique insurance program offers pre-claim risk assessment, care counseling and wellness guidance with the intention of keeping seniors at home. The other session, “How to Hit the Reset Button,” introduced a number of new LTCI product ideas to bolster the value proposition to the consumers. The presenters also shared their views on enhancements to LTCI regulations.

The remaining two sessions focused on broad overviews. One session was a concise but informative survey of the long-term care service providers—nursing facilities, assisted living facilities and home care agencies. The last session, “Financing Framework for Social LTC Security System,” was conducted by three distinguished policy experts from Washington, D.C.

MARKETING TRACK

2013 was a year where sessions featured marketing and sales innovation and out of the box thinking. The marketing track produced 5 sessions, including one joint session with the sales track. That session, titled “Short and Thin-The Marketing and Sales of Affordable Alternatives,” was produced by Louis Brownstone, and featured excellent presentations on an innovative approach to making inflation protection more affordable for consumers and less risky for carriers. It also included an informative discussion on the market rationale for affordable “transition” products.

Continuing the innovation theme were two case study sessions that evaluated the effectiveness of new marketing methods to increase awareness of the need to plan for long-term care. The session “Old Problems, New methods” produced by Eileen Tell, provided an in-depth examination of the “Own your Future” campaign, including evaluations of new advertising approaches and traffic generating methods in the State of Minnesota. “One for all and All for One” produced by Jonas Roeser highlighted a similar program with the State of Texas that featured the non-profit 3in4 long-term care awareness campaign, and its ability to generate high levels of free publicity.

John O’Leary produced perhaps the most “out of the box” session, “Are we marketing the right product?” That session examined the feasibility of combining wellness programs and health activities with long-term care insurance as a way to both increase

consumer interest and reduce carrier claims and risks. The final marketing session featured a stellar panel of distribution All-Stars discussing trends, issues and the future of long term care distribution. That included the distribution expert’s thoughts on the impact of assisted and virtual selling on a going forward basis.

Note: The introduction for this article was provided by Laurel Kastrup. Track chairs provided the reports on the respective tracks: Jenny Goodyear, Management; David Benz, Actuarial; Jacqui Carreno, Claims; Sandra Latham and Sharon Reed, Operations and Technology; Bob Yee, Policy & Provider; Rob Brown, Underwriting; and John O’Leary, Marketing. ■