



SOCIETY OF ACTUARIES

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Exciting Times

By Jeremy Williams



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Like many of you, I just returned from the 13th Annual Intercompany LTCI Conference held in Dallas. I would like to send out my personal thanks to the ILTCI and all the people who helped make for a wonderful conference. I was very pleased with the quality of session content and the lively conversations. The sessions focused on many aspects of the industry, but one underlying current seemed to dominate—change. More specifically, how will the industry have to change to meet the current and future long-term care (LTC) needs of insureds and the public?

For many, change can be scary as there is the fear of the unknown. This group tends to fight change at all costs. For others, change can be appealing as it creates new opportunities and provides the possibility to influence the future state. As it pertains to the LTC industry, I tend to be in this latter group as I feel that the industry must and will change to remain viable. However, I fear that we only have one shot to do it right. There will be no reset button, so all efforts need to be made to get it right the first time. With focus and determination from all stakeholders involved, I think things can develop favorably for all sides. These are indeed exciting times, and I hope you will be a part of it.

As I said, change creates opportunities. Many projects are currently in the works related to this potential transformation. Here is a quick update on some of those activities and how the LTC Section hopes to participate.

As I discussed in the last newsletter, the LTC Think Tank has embarked on an innovative project called “Land This Plane.” For those of you who are not familiar with it, this undertaking will utilize a Delphi study to reach “consensus” on solutions to LTC funding issues. The study questions are far-reaching and cover several topics, ranging from insurance needs and family responsibilities to regulations and funding mechanisms. The goal of this project is to complete a white paper that can be utilized as a framework for education and discussion. The LTC Think Tank held a two-hour session at the ILTCI conference to discuss the results of the first round of the study. The results to date are very promising, and the discussion was certainly thought-provoking and energetic. Additional rounds of the study will be performed over the next several months with project culmination sometime in the fall. The LTC Section is co-sponsoring this effort, so expect to hear more on this project very soon.

On the national front, the CLASS Act was officially repealed within the fiscal cliff legislation. As part of this legislation, a new national commission will be established to develop a plan for better financing and delivery of LTC services. The commission will consist of a 15-member panel with members appointed by the White House and Congressional leaders. The commission will be tasked with developing a comprehensive plan that addresses the establishment, implementation and financing of a viable LTC system.

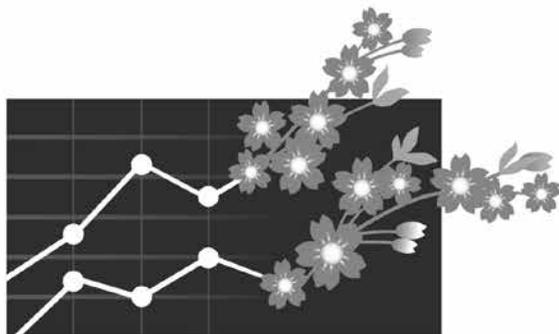
On the insurance regulatory front, the National Association of Insurance Commissioners (NAIC) is embarking on a project to update and overhaul the LTC model regulation. To date, the LTC Section has been asked to perform research on a number of topics for the NAIC, and we expect this assistance to increase over the next several months. My hope is that we as a section can provide new perspectives and generate valuable research that the NAIC can utilize to formulate a strong framework. Expect more to follow over the coming months.

Finally, I would like to put in a quick comment on the National Conversation on Long-Term Care Financing. This group continues to discuss proposals for a sustainable financing system framework. Steve

Schoonveld has been crucial to this endeavor and continues to help move the conversations forward in a constructive and equitable manner.

As you can see, there are many activities underway that will shape our industry for the foreseeable future. As always, if you have project or research ideas or you are interested in helping out, please feel free to reach out to me or to one of the other council members. The more hands we have on deck, the easier it will be to steer the ship through these exciting times.

As a final note, for those who attended the ILTCI Conference: If you see Frank Abagnale, ask him if he could return my wallet. ■



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