

Long Term Care Think Tank Product Innovation Research Project Status Update for Long-Term Care Actuarial (B) Working Group August 5, 2017

Work Completed to Date

- Phase 1: Concept Development and Actuarial Modeling
 - Developed consumer-friendly copy and visuals for two concepts in preparation for qualitative screening
 - LifeStage: Life insurance in primary earning years that transforms into LTC coverage in later years
 - Retirement Plus: Tax-beneficial retirement savings plan with built in LTC coverage
 - Developed actuarial model and pricing indications for products
- Phase 2: Qualitative Research
 - Conducted four in-person, 90-minute focus group discussions on June 28th in Chicago suburbs
 - Groups partitioned by age and income levels to get broad feedback on product features and price

Key Findings from Qualitative Focus Groups

- Both concepts found appeal, sometimes strong, across the various focus groups
- Tweaks to product descriptions were identified to further improve comprehension and appeal
- For LifeStage, the main revision is to more clearly articulate the specific benefit of having life insurance during working years and locking in LTC now for older years
- For Retirement Plus, the key change is to simplify tax-benefit language and make a direct comparison to familiar retirement plans (e.g. 401(k), IRA)

Next Steps

- Phase 3: Quantitative Research and Analysis
- Online survey to be fielded in mid-August
 - Consumer attitudes and desires to help inform product development, consumer targeting, and marketing messages
- Additional actuarial modeling and pricing
- Estimating potential federal tax and Medicaid impact