

There were 27 responses to a quick, LTCIF email survey to determine the extent of involvement of claims and underwriting with actuarial. The survey was conducted in January, 2006. It was sent to all companies known to be marketing LTC insurance or to have an in force block of LTC insurance. If your company was not among those receiving this survey, please contact John Detwiler to be included in any future surveys. The confidentiality of the respondents and their answers were strictly maintained under the auspices of MIB, Inc.

1. Of 27 companies responding: 11 were Claims persons, 16 Underwriting.
2. They represented:
  - 23 companies that actively markets LTC
  - 2 companies that no longer market LTC, but has an in-force block
  - 2 companies in neither of the above categories
- 3A. Number of respondents who met with an actuary in 2005 to discuss mutual concerns:
  - 5 Only as part of a regular general meeting of all key departments
  - 10 Apart from general meetings on a one-on-one basis
  - 6 Apart form general meetings as part of a committee
  - 7 Did not meet with an actuary in 2005
- 3B. The 21 that met with an actuary in 2005 on a one-on-one basis apart from regular general meetings did so:
  - 2 Just one time
  - 2 Met two or three times
  - 5 Met four or more times
  - 2 Had regularly scheduled meetings, monthly
  - 1 Bi-weekly meetings
  - 4 Had weekly meetings
  - 5 Did not respond to this portion of the question
- 3C. The following met with an actuary as part of a committee other than a general staff meeting:
  - 0 Once
  - 2 Two or three times
  - 6 Four or more times
  - 2 At regularly scheduled monthly meetings
  - 1 Bi-weekly meetings
  - 0 Weekly meetings
4. They evaluated the one-on-one or committee meetings as:
  - 0 A general waste of time
  - 2 Somewhat helpful
  - 0 Informative but not helpful in doing my job
  - 6 Informative and helpful
  - 9 Essential
5. These respondents did not meet with an actuary in 2005 and they would like to:
  - 3 Keep things as they are
  - 6 Meet at least a couple of times in 2006
  - 2 Schedule at least a monthly meeting in 2006

Of the three indicating they felt it best to keep things as they are in Question #5, 2 are Underwriting and 1 is Claims. All 3 are with companies actively marketing LTC. 1 of the 2 Underwriters and the 1 Claims person sits with an actuary only as part of a general meeting of all key departments. Neither underwriter offered any comments as to the reason for their feelings.

The Claims person offered comments that would indicate a desire for more communications with Actuarial.

Question #6 asked: "Please describe the topic(s) discussed during meetings with an actuary."

- Operational results, reserve issues . . .
- Impact of pricing, reserves and claim payments
- Need for tightening up LTC underwriting guidelines, reinsurance
- A discussion of the current climate of incoming and ongoing claims
- Early claims; policy definitions and how actuary viewed and priced
- Product development issues, pricing, mortality results
- Actuary is part of underwriting review committee: reviews all declined and substandard
- Claim experience; selection issues of GI versus underwritten
- Expected to actual results
- The effectiveness of various underwriting screens including MIB, pharmacy, cognitive
- Risk and pricing assumptions associated with certain types of underwriting
- Pricing, interpretation, claims processes and application issues
- Underwriting decisions and requirements as related to product pricing
- Pricing; percentage of preferred
- Policy benefit modifications
- Potential pricing impact of changing underwriting guidelines
- Affect of underwriting on pricing

And finally, Question #7 asked for suggestions to improve communications with Actuarial.

- Less crisis management and more of a working jointly all of the time
- Make the time to meet
- We would like to know how they believe the block is performing and what data they need to judge the results
- What are the expectations of certain benefits? Have the provisions been written to match those expectations?
- The weekly meetings are invaluable
- I would recommend some closer contact for the Actuary to see how a Claims Dept. actually functions
- Monthly meetings are essential with open, honest communication
- The Actuaries in my company are glad to meet with Underwriters to discuss any issues
- I find it essential for Underwriting and Actuarial departments to have regular dialog
- Actuarial must understand the clinical issues involved in claim adjudication
- More scheduled meetings
- A yearly meeting between Actuarial, Claims and Underwriting to review underwriting practices, industry trends, claims experience.
- Regular and ongoing access to and discussion related to mutually important information
- We have a very interactive communication process in our company. Claims staff are involved in product development activities and work closely with Actuarial and Compliance in confirming how certain benefits are administered
- Meet with your Actuary on a regular basis. When a concern comes up, visit the Actuary and don't wait until a regular meeting is scheduled. The Actuary depends on feedback from the Underwriter to see if the pricing is on target
- Stay in touch on a regular basis; know what your Actuary is assuming as to how claims are to be managed; involve Underwriting
- Actuarial need to focus more on the big picture and how underwriting or claims policies affect pricing in the long term
- When benefits and pricing are being planned, discussions with underwriting would benefit both departments to understand the difference between assumptions and actual events

Today's panel will discuss the ramifications of some of these answers and suggestions.

Moderator:

Amy Pahl,  
Actuarial Consultant  
Milliman USA.

Claims panelist:

Barbara Prescott  
Senior Claim Officer  
Avon LTC Leaders

Underwriting panelist:

Linda Jonides  
Chief Underwriter  
Equitable Life & Casualty

We invite your participation in the Q & A session following their presentations.

