May 12, 2025

Paul Lombardo, Co-Chair, NAIC Long-Term Care Actuarial Working Group
Fred Andersen, Co-Chair, NAIC Long-Term Care Actuarial Working Group

Dear Chairs Lombardo and Andersen,

The American Council of Life Insurers (ACLI)[1] and the America's Health Insurance Plans (AHIP)[2] appreciate the opportunity to comment on the NAIC Long-Term Care Actuarial (B) Working Group's (LTCAWG) revised cost-sharing factors released for public exposure on March 28, 2025.

We commend the LTCAWG for its continued efforts to navigate the complexities of long-term care insurance rate reviews through the Multi-State Rate Review (MSRR) framework. While we understand and respect the goal of achieving an appropriate balance between the interests of policyholders and insurers, we are concerned that the recent revisions move beyond that balance by further expanding cost-sharing obligations on insurers. We recognize that transitional approaches may help bring additional states into the process, but care must be taken to avoid reinforcing disparities or delaying meaningful progress toward consistent implementation.

As outlined in our previous comment letters, we believe that successful implementation of the MSRR framework requires the LTCAWG to keep the following principles at the forefront:

- Avoiding Arbitrary Caps: Maintaining actuarial soundness and timely implementation must remain central to the framework, particularly for policies well into their claim years and blocks that have experienced approval delays.

- Offering policyholders appropriate, actuarially sound options can help manage rate impacts without undermining consistency across states.

- Promoting predictable and transparent processes benefits all stakeholders and is key to achieving broad, uniform adoption.

- Recognizing the impact of prior regulatory actions is essential to a balanced approach. Cost-sharing should not apply to portions of a rate increase that stem from previously delayed, limited, or denied actuarially justified filings. Insurers should not be penalized for outcomes shaped by regulatory decisions outside their control. The framework should

[1] The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

[2] AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and to help create a space where coverage is more affordable and accessible for everyone.

reflect both actuarial soundness and the historical context contributing to current cumulative rate needs.

ACLI and AHIP respectfully reiterate our strong support for the MSRR's original objectives: to advance a consistent, actuarially grounded approach to long-term care rate review that promotes transparency, timeliness, and equitable outcomes across states. We encourage the LTCAWG to bring this process to a timely and workable resolution that can be implemented consistently.

Sincerely,

Jan Graeber
Senior Actuary, ACLI

Ray Nelson
Consultant for AHIP