



**IIPRC-LTC-I-3-RATEM**

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**RATE FILING STANDARDS FOR INDIVIDUAL LONG-TERM CARE INSURANCE  
MODIFIED RATE SCHEDULES ONLY**

**ANNUAL CERTIFICATION CHECKLIST**

Effective Date: October 10, 2017

**§ 3. ANNUAL SUBMISSION REQUIREMENTS SUBSEQUENT TO INITIAL RATE  
FILINGS AND PRIOR TO APPROVAL OF RATE SCHEDULE INCREASES**

The following ANNUAL submission requirements from § 3 of the Rate Filing Standards for Long-Term Care Insurance (Modified Rate Schedules) apply subsequent to initial rate filings for individual long-term care insurance policies. These requirements do not apply after the approval of rate schedule increase filings, at which time the requirements of § 4 apply.

**Drafting Note:** In accordance with § 2A(2), these submission requirements apply to rate schedules initially filed with the Interstate Insurance Product Regulation Commission, including revised rate schedules that increase premium rates only with respect to new business issued under a policy form.

Filing Information Notice (FIN) 2017-2 provides more guidance regarding the submission of Individual Long-Term Care Filings: <http://www.insurancecompact.org/fin.htm>

**A. GENERAL**

Yes	No	
		(1) If the items are being submitted on behalf of the company, include a letter of authorization from the insurance company

**B. ACTUARIAL SUBMISSION REQUIREMENTS**

Yes	No	
		(1) An actuarial certification prepared dated and signed by the member of the American Academy of Actuaries who provides the information shall be included and shall provide at least the following information.
		(a) A statement of the sufficiency of the premium rate schedule approved by the Interstate Insurance Product Regulation Commission including the policy form to which the statement applies, including the start and if applicable, end date of issue, and:
		(i) For the rate schedules <b>currently marketed</b> ,

		<p>a. The premium rate schedule continues to be sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated; or</p>
		<p>b. If the above statement cannot be made, a statement that margins for moderately adverse experience may no longer be sufficient. In this situation, the company shall provide to the Interstate Insurance Product Regulation Commission, within 60 days of the date the actuarial certification is submitted to the Interstate Insurance Product Regulation Commission, a plan of action, including a time frame, for the re-establishment of adequate margins for moderately adverse experience. Failure to submit a plan of action to the Interstate Insurance Product Regulation Commission within 60 days or to comply with the time frame stated in the plan of action constitutes grounds for the Interstate Insurance Product Regulation Commission to withdraw or modify its approval of the Product Filing pursuant to § 108 of the Operating Procedure for the Filing and Approval of Product Filings.</p> <p><b>Drafting Note:</b> When a company files a statement that margins for moderately adverse experience may no longer be sufficient, the Interstate Insurance Product Regulation Commission will immediately notify each Compacting State where the premium rate schedule applies.</p>
		<p>(ii) For the rate schedules that are <b>no longer marketed</b>,</p>
		<p>a. That the premium rate schedule continues to be sufficient to cover anticipated costs under best estimate assumptions; or</p>
		<p>b. That the premium rate schedule may no longer be sufficient. In this situation, the company shall provide to the Interstate Insurance Product Regulation Commission, within 60 days of the date the actuarial certification is submitted to the Interstate Insurance Product Regulation Commission, a plan of action, including a time frame, for the re-establishment of adequate margins for moderately adverse experience.</p> <p><b>Drafting Note:</b> When a company files a statement that the premium rate schedule may no longer be sufficient, the Interstate Insurance Product Regulation Commission will immediately notify each Compacting State where the premium rate schedule applies.</p>
		<p>(b) A description of the review performed that led to the statement and disclosure of any planned management action relating to this statement.</p>

		(3) The actuarial certification required pursuant to § 3.B(1) must be based on calendar year data and submitted annually no later than May 1st of each year starting in the year after the first full year in which the initial rate schedule was approved by the Interstate Insurance Product Regulation Commission.
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The Reviewer Checklist is intended for the sole purpose of assisting a company product filer ("User") in understanding the requirements of the applicable Uniform Standard(s) for IIPRC product filings. Users are hereby notified not to rely solely upon the Reviewer Checklist in preparing a product filing or in complying with the IIPRC Uniform Standards, Rules and Operating Procedures. The User also acknowledges there is a possibility of human, mechanical or technical error in the development, presentation or use of the Reviewer Checklist. The Interstate Insurance Product Regulation Commission (Commission) accepts no liability for any loss, cost or damage caused by use of this tool, including without limitation, direct or indirect, incidental, special, consequential or exemplary or punitive damages arising out of the use or inability to use the Reviewer Checklist. There are no warranties either express or implied and User specifically acknowledges the Commission does not warrant the truth, accuracy or completeness of the Reviewer Checklist.