

Product Standards Committee
Public Call Summary
May 18, 2021

Agenda Item 2. Receive Comments on a Proposed Options and Questions Addressing the Request from the South Carolina Department of Insurance Regarding the 15% Threshold for Compact Approval of LTC Rate Increases on In-Force Policies Approved by the Compact

The Product Standards Committee Chair said that the purpose of the meeting is to receive written and oral comments on the draft proposed options and questions regarding the 15% threshold for Compact Approval on long-term care rate increases on in-force policies approved by the Compact. He said the discussion would focus on finalizing the options including the pros and cons, and not on discussing preferences for one option over another. The Product Standards Committee is preparing these options for discussion by the Management Committee.

The Chair said there were four written comments received from Utah, Idaho, Iowa, and Oregon. He asked if there were any oral comments.

A representative from Oregon said that there is more going on with long term care rate increases. State regulators must respond to consumers and legislators when there are rate increases. The PSC chair said that the assignment to the PSC was to provide the Management Committee with viable options.

A representative from Utah suggested that it would be useful to provide information on past rate increases. He said the data would be helpful to compare Compact approved rate increases to the advisory reviews by the Compact and subsequent state actions. The Chair said this could possibly help the Management Committee and asked Utah to submit a request for the PSC to consider.

Superintendent Dwyer of Rhode Island spoke in favor of the South Carolina letter on Option 2a which would allow a state to set its own threshold percentage. She said that other states may be willing to opt into the long-term care standards if this option is permitted.

The Chair asked if there were other comments. A representative from ACLI had no written comments but suggested that the Commission wait until the NAIC committee completed its current work. A representative from AHIP said that the paper did a good job of laying out the options. They said there was one additional con. AHIP members had filed with the Insurance Compact with the expectation that the Compact would review and approve rate increases below 15 percent. There was concern that changing the rate increase process could affect a company's decision on whether to file the original product through the Compact in the future.

The Chair asked the representatives to submit their comments in writing. He said the PSC would consider the comments and finalize the options to submit to the Management Committee for its June meeting.

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Agenda Item 3. Any Other Matters

The Chair advised that the Product Standards Committee is beginning the process of identifying and prioritizing requests for the development of Uniform Standards for new product lines or products and benefit features for existing product lines. The PSC will ask that requests be submitted by June 30 for the Committee's 2022 workplan. A notice will be issued in the coming days with more information.