

Appendix 2

Comments on the Exposure Draft and Responses

The exposure draft of the proposed revision of ASOP No. 18, *Long-Term Care*, was issued in March 2021 with a comment deadline of September 1, 2021. Four comment letters were received, some of which were submitted on behalf of multiple commentators, such as firms or committees. For purposes of this appendix, the term “commentator” may refer to more than one person associated with a particular comment letter. The ASOP No. 18 Task Force carefully considered all comments received, and the ASB reviewed (and modified, where appropriate) the changes proposed by the ASOP No. 18 Task Force and the ASB Health Committee.

Summarized below are the significant issues and questions contained in the comment letters and the responses. Minor wording or punctuation changes that were suggested but not significant are not reflected in the appendix, although they may have been adopted.

The term “reviewers” in appendix 2 includes the ASOP No. 18 Task Force, the ASB Health Committee, and the ASB. Also, the section numbers and titles used in appendix 2 refer to those in the exposure draft, which are then cross referenced with those in the final ASOP.

GENERAL COMMENTS	
Comments	One commentator felt the transmittal memorandum should have stated that there has been a notable amount of rewording and reordering of material in this ASOP, including additions reflecting developments in LTC practice over the past twenty to thirty years. The commentator felt that the changes went beyond “improv[ing] readability, clarity or consistency.”
Response	The reviewers agree and made reference to the expansion of the ASOP to hybrid products, public programs, and long-range financial projections of Medicaid programs.
SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE	
Section 1.1, Purpose	
Comment	One commentator suggested deleting “and public programs” in section 1.1 due to potential conflict with ASOP No. 32, <i>Social Insurance</i> .
Response	The reviewers disagree with deleting “public programs” from the purpose and scope of this ASOP. However, the reviewers added clarifying language regarding potential conflicts with ASOP No. 32 in section 1.2.
Section 1.2, Scope	
Comment	One commentator suggested that a reviewing actuary should “follow” rather than “use” the guidance.
Response	The reviewers agree and made the change.
Comment	Several commentators suggested clarifying language about applicability to Medicaid programs and long-range financial projections.
Response	The reviewers agree and modified the scope to provide further clarity, including an exclusion for actuarial services provided under ASOP No. 49, <i>Medicaid Managed Care Capitation Rate Development and Certification</i> .

SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES	
Section 3.2.2 (now 3.2.1), Morbidity Assumptions	
Comment	One commentator suggested that morbidity assumptions should reflect claimants' diagnoses.
Response	The reviewers modified the language in response to this comment.
Section 3.2.5 (now 3.2.4), Voluntary Termination (Lapse) Assumptions	
Comment	One commentator suggested deleting "rating agency rating."
Response	The reviewers modified the language to clarify the applicability of rating agency outlooks and ratings.
Section 3.2.6 (now 3.2.5), Operating Expense Assumptions	
Comment	One commentator suggested specifically identifying "policy and claims administration."
Response	The reviewers modified the language accordingly.
Section 3.3, Premium Rate Recommendations (Including Fees or Other Revenue-Generating Devices)	
Comment	One commentator suggested including "fees, taxes, surcharges, contributions."
Response	The reviewers modified the language in response to this comment.
Section 3.4, Reserve Determination and Asset Adequacy Analysis	
Comment	One commentator suggested adding a reference to ASOP No. 28, <i>Statements of Actuarial Opinion Regarding Health Insurance Assets and Liabilities</i> .
Response	The reviewers agree, made the change, and also added a reference to ASOP No. 36, <i>Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves</i> .