RFP 2045- LTC Data Call Information RFP Questions and Answers

Timeline:

1. Is there an anticipated timeline for the completion of the data call and the analysis of the data and submission of the final report? The NAIC chose not to develop a specific timeline for this project for two reasons. First, the start date will depend upon approval from the NAIC Executive Committee and while it is desired for the selection of a consultant to take place in mid-February, it is not guaranteed, just as the scheduling of meetings and calls with regulators and a large collective group of Commissioners is imprecise. Second, the timetable will depend upon cooperation with companies who may or may not have conflicting priorities. Having said that, we anticipate the project may require February to complete contractual requirements, half of March to finalize the template, half of March and all of April to complete the data call, May to complete and present the analysis to Commissioners.

Data Call:

1. For what period will the data be collected? From the issue date of the block of business.
   a. How many years of data? The number of years is to be from the issue date of the block of business and year-end 2019, with a provision for rate increase approvals that may be finalized between year-end 2019 and the report release date.
   b. The data should be collected as of what date? Year-end 2019, with a provision for rate increase approvals that may be finalized between year-end 2019 and the report release date.

2. What is the frequency of the data call – is it a one-time collection or will it be collected on a quarterly or annual basis? It is a one-time collection.

3. Are the 19 insurers individual insurers or groups? If groups, will the data be collected at the NAIC group or company level? It will be Individual insurers.

4. Please provide, if available, the DRAFT DATA CALL and instructions developed by the regulators.
   a. Will a copy of the Draft Data Call be provided before the bidding deadline? Yes.
   b. Will the final report be made public, or will it be available only to regulators? Final report is expected to be regulator only, although portions of it may be utilized by the workstream given it is an input into the work of the Task Force.

5. Have any previous NAIC data calls been conducted in order to study cross-state subsidization of LTC products? Those involved in this data call are not aware of any such efforts.

6. What is the expected level of granularity of the data elements of the data call (e.g. by policyholder, policy form, etc.)? By policy form, grouped in the same manner as how the rate increase request was filed.

7. Confirm that the data call is for insurers’ data and information for all states, not only the seven states. Correct.

8. What seven states are represented in the NAIC workstream? We identified this information in the SOW primarily to assist with estimating discussion time with the regulators. Virginia, Minnesota, Nebraska, Utah, and Texas are the members of the workstream, who make up the individuals involved with decision making on the data call. However, we added two additional
NAIC headcount to that who are also involved in the project but are not decision makers. Their involvement is more technical and administrative.

9. Do the regulators currently have a specific path to accomplish the goals of this workstream? The members of the workstream believe that the data call as developed will accomplish the goal but are supportive of efforts of a consultant to improve that approach.

10. Do you have an expectation that the 19 selected insurers will all choose to participate in the data call? If some insurers choose not to participate would you replace them with other insurers or go with fewer than 19 insurers for this data call? We have not asked selected insurers if they will be doing so but we do expect participation to be high given the importance of the overarching initiative to all insurance commissioners. If fewer than 15 participate, we may add to the list of candidates.

Pricing:

1. Would you consider fixed or variable pricing depending on the phase of work? The NAIC would prefer a fixed fee for all phases since the NAIC Executive (EX) Committee must approve of all material contracts.

Technical:

1. Will data call responses be housed on the NAIC's server or vendor's server? It will be housed by the vendor. The consultant will develop a summary of the data for the regulators of the workstream consistent with the output requested by those same regulators.

Additional Questions:

1. Do you expect the 19 insurers to provide data for each of their products or for just a subset (for example, the biggest block)? Will the data be split by issue era between loss ratio and rate stability business? Do you expect the information to be provided even on blocks where insurers may not be actively filing rate increases anymore? We expect data for each block that constitutes over 15% of the company’s LTCI business, with “block” being defined based on how the insurer pools policy forms for rate increase purposes. Blocks need not be split between pre- and post-rate stability, but the issue years should be identified.

2. Regarding Phase IV of the RFP, is the intent to analyze the data to identify the amount of variation in rate increase approvals, but that identifying reasons behind the variation is beyond the scope of the RFP? Correct, identifying reasons behind the variation is beyond the scope of the RFP.

3. Will there be a designated single primary contact with decision-making authority to work with the Consultant? All communication will be through Dan Daveline, NAIC Staff; however, decision making will be among the states listed. Having a small number of states be part of the process is intended to expedite any communication for which the question seems to pertain.
4. Is there a more fulsome definition of “actuarially appropriate” and “timely” rate increases as mentioned in the Scope of Work? These descriptions are mainly provided as background information. Examples of such rate increases are ones with no artificial caps and exclude states with approvals that lag behind other states by more than six months.

5. We would like to confirm that all projections and experience reports would be coming from the companies and that the vendor would not be expected to take company data and develop projections. See response to the question dealing with running the data in different ways as noted in the RFP.