



Contact: Carl Friedrich  
Milliman, Inc.  
Tel: (312) 499-5646  
[carl.friedrich@milliman.com](mailto:carl.friedrich@milliman.com)

Sue Saip  
Milliman, Inc.  
Tel: (312) 499-5607  
[sue.saip@milliman.com](mailto:sue.saip@milliman.com)

Al Schmitz  
Milliman, Inc.  
Tel: (262) 796-3477  
[Al.schmitz@milliman.com](mailto:Al.schmitz@milliman.com)

---

FOR IMMEDIATE RELEASE

**Press Release**

## **New Milliman survey reveals significant repricing of long-term care hybrid products in the last 12 months**

SEATTLE – SEPTEMBER 30, 2020 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of a new survey examining changes to hybrid long-term care (LTC) plans in light of the low interest rate environment and COVID-19. The study, “LTC Hybrid Product Survey,” is based on a survey of top writers of life LTC hybrid plans. The report focuses on current topics relative to the National Association of Insurance Commissioners (NAIC) Valuation Manual, Chapter 20 (VM-20), pricing, sales, and investment returns.

Key findings of the survey include:

- When asked about the assumed morbidity margin for a hybrid product under VM-20, 29% of participants assume a margin less than or equal to 10%, 57% assume a margin ranging from 10% - 20%, and the remaining 14% assume a margin of 20% or more.
- The top two primary challenges in modeling LTC hybrid riders under VM-20 are integrating rider cash flows with the base contract and determining the appropriate level and direction of margins for each risk factor under VM-20.
- Hybrid products were repriced once in the last 12 months by 44% of survey participants, repriced two times by 11% of participants, three times or more by 22% of participants, and not at all by the remaining 23% of participants.
- The single most important factor driving repricing by survey participants is the low interest rate environment.
- As a result of COVID-19 or other factors, the majority of survey participants have changed issue age limits on hybrid LTC plans.
- All participants reported they are finding it difficult to meet profit goals given the low interest rate environment.

A brief summary of the survey results is available by visiting the Milliman website at <https://www.milliman.com/en/insight/LifeLTC-hybrid-products-2020-survey>.

### **About Milliman**

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit [www.milliman.com](http://www.milliman.com).

###