

From: Steve Forman [<mailto:steve@ltc-associates.com>]
Sent: Thursday, October 06, 2016 10:53 AM
To: OIC Rules Coordinator <RulesC@oic.wa.gov>
Subject: Long-term care policy unintentional lapse notices (R 2013-29)

Good morning Mr. Freeburg,

Since the Washington Office of the Insurance Commissioner is contemplating how best to protect LTCI policyholders against unintentional lapse, I wanted to make the Office aware of some additional information which might prove helpful.

As you are no doubt aware, Boston College's *Center for Retirement Research* recently conducted a study on lapsation which has come under fire—perhaps you've read last month's article in the *Society of Actuaries'* quarterly magazine in which Claude Thau took CRR to task. I bring this up because Mr. Thau (Thau, Inc.) and a colleague (Eileen Tell, Long Term Care Group) are continuing their own research, "*to determine the efficacy of Third Party Lapse Notifications and Unintended Lapse provisions... and intend to ask about methods which make or could make such provisions more effective.*" Mr. Thau has also communicated that he is working with the state of Nebraska to ask about carrier communications with paid-up policyholders.

Claude is aware of the proposed WA regulations (R 2013-29), and thought it advisable that the Insurance Dept be made aware of his study. He and Eileen are in the process of defining their contact list—if you or someone from WA would like to be on the list, please let us know. I expect the findings will prove valuable.

Best regards,

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"The Advisor's Guide to Long-Term Care" (2nd Ed. National Underwriter)
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