

AB 567 ACTUARIAL SUBCOMMITTEE OVERVIEW

Scope, approach, and workplan

February 2023

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QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

Oliver Wyman was commissioned by the California Department of Insurance (CDI) to provide support associated with assessing the feasibility of developing and implementing a culturally competent statewide insurance program for long-term care services and supports. The primary audience for this report includes stakeholders from the California Department of Insurance, members of the Long-Term Care Insurance Task Force, and members of the general public within the state of California.

Oliver Wyman shall not have any liability to any third party in respect of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein.

The opinions expressed herein are valid only for the purpose stated herein and as of the date hereof. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been verified. No warranty is given as to the accuracy of such information. Public information and industry and statistical data are from sources Oliver Wyman deems to be reliable; however, Oliver Wyman makes no representation as to the accuracy or completeness of such information and has accepted the information without further verification. No responsibility is taken for changes in market conditions or laws or regulations and no obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof.

ACTUARIAL SUBCOMMITTEE: OVERVIEW AND SCOPE

The Actuarial Subcommittee will serve as an advisory group to Oliver Wyman’s actuarial analysis

Members	<ul style="list-style-type: none">• The Actuarial Subcommittee is comprised of the following five Long Term Care Insurance Task Force Members (“Task Force”):<ul style="list-style-type: none">– Susan Bernard (chair): California Insurance Commissioner Ricardo Lara designee– Jamala Arland: Representative from the LTC insurance industry– Laurel Lucia: Representative of a non-government health policy expert– Parag Shah: Certified actuary with expertise in LTC insurance– Brandi Wolf: Representative of an employee organization that represents LTC workers• Actuarial staff from the California Department of Insurance will also participate in Actuarial Subcommittee meetings
Responsibilities	<ul style="list-style-type: none">• Serve as an advisory group to Oliver Wyman’s actuarial analysis<ul style="list-style-type: none">– Share perspectives on Oliver Wyman’s data sources, modelling methodologies, and actuarial assumptions– Provide feedback and offer suggestions throughout actuarial modeling process– Review actuarial analysis for reasonability and comprehensiveness• Assist with actuarial analysis status updates to full Task Force (during quarterly meetings)• Perform initial review of Oliver Wyman’s Actuarial Report (prior to full Task Force review)

The Actuarial Report will be considered a Statement of Actuarial Opinion from Oliver Wyman’s actuarial staff (not from the Actuarial Subcommittee)

ACTUARIAL SUBCOMMITTEE: APPROACH AND WORKPLAN

The Actuarial Subcommittee will serve as an advisory group to Oliver Wyman's actuarial analysis

Approach and workplan

- Oliver Wyman will share updates on the following information in advance of each Actuarial Subcommittee meeting:
 - Data sources
 - Assumptions (variations, methodologies, and approaches)
 - Modeling (approaches and simplifications)
- Preliminary assumptions and results will not be shared with the Actuarial Subcommittee (and the general public) to limit potential misuse or misinterpretation of incomplete or non-final information
 - The presentation of preliminary actuarial results to the full Task Force is scheduled for June 15, 2023
- To facilitate active discussion during future Actuarial Subcommittee meetings, we propose the following approach:
 - Oliver Wyman share content several weeks in advance
 - Actuarial Subcommittee members review and share preliminary feedback with the Oliver Wyman team before each meeting
 - Actuarial Subcommittee feedback will be anonymous and gathered by email (in lieu of questionnaires)
 - **To ensure compliance with Bagley-Keene, Actuarial Subcommittee members should provide feedback only to Oliver Wyman**

ACTUARIAL SUBCOMMITTEE: MEETING SCHEDULE

Additional meetings may be scheduled on an ad-hoc basis as needed

MEETING #	MEETING DATE	TOPICS
01	FEBRUARY 27, 2023	Actuarial Subcommittee scope, approach, and workplan
02	APRIL 27, 2023	Alignment and input on methodologies and simplifications for preliminary actuarial analysis
03	AUGUST 24, 2023	Draft Actuarial Report update and input



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