Deposition of:

Long-Term Care Hearing

February 19, 2020

In the Matter of:

Long Term Care Hearing

Veritext Legal Solutions
800-734-5292 | calendar-dmv@veritext.com |

MARYLAND INSURANCE ADMINISTRATION
LONG-TERM CARE HEARING
OFFICE OF THE CHIEF ACTUARY
Wednesday, February 19, 2020

The hearing in Re: MARYLAND LONG-TERM CARE was held on Wednesday, February 19, 2020, at 9:00 a.m., at the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, before Louisa B. McIntire-Brooks, Notary Public.

Reported by: Louisa B. McIntire-Brooks

APPEARANCES:

MARYLAND INSURANCE ADMINISTRATION STAFF:
TODD SWITZER, Chief Actuary
ADAM ZIMMERMAN, Actuary
DAVID COONEY, Associate Commissioner
JEFF JI, Actuary
ZACK PETERS, Chief of Staff

COMPANY REPRESENTATIVES:
JOHN SVEDBERG, CMFG Life Insurance Company (via phone)
XIAOYAN SONG, Lincoln Benefit Life Company (via telephone.)
JONATHAN TREND, Metropolitan Life Insurance
AARON BALL, JEFF BELIGOTTI, New York Life Insurance Company
BRIAN PIETSCH, CHARLES CASWELL, RiverSource Life Insurance Company

INDEX

Long-Term Care Public Informational Hearing
February 19, 2020

Speakers:	Page:
Mr. Svedberg	13
Ms. Song	21
Mr. Trend	29
Mr. Ball	40
Mr. Pietsch	53
Mrs. Fairclough	64

PROCEEDINGS

MR. SWITZER: Good morning, everyone. Welcome to our first quarterly long-term care hearing. The year is off to a good start. We have on the phone a representative from CMFG and also some of our Maryland seniors, Mr. and Mrs. Martin Fairclough. Before we get into the five companies that are here today, I'll introduce who is up here. First I have -- glad to be able to introduce him for the first time, Mr. Jay Coon our new deputy commissioner who started on January 29th, very talented guy. Enjoying the meeting so far. Most recently from Traveler's also has worked at The Hanover and USF&G as well as Aetna Life and Casualty. So, really glad to have him with us.

Mr. Jeff Ji, colleague of mine in the office of the actuary, senior actuary. Adam Zimmerman, colleague of mine, senior actuary, office of the actuary. Dave Cooney, our associate commissioner, life and health. So, those are here today. We have -- our chief actuary commissioner, couldn't be here due to a very important family matter that he is attending to.

So, that's why he's not here today.

So, we have for individual long-term care, stand alone insurance, CMFG, requesting a 52% increase via a series of three 15% increases headquartered in Iowa and affecting about 1600 Marylanders. We also have RiverSource Life Insurance Company proposing 12.7 to 15, depending on the form and benefit period. RiverSource based in Minnesota. These filings today affect 2500 Maryland. Lincoln Benefit, Nebraska, requesting zero to 27% depending on the benefit period and inflation coverage and affecting 287 Marylanders. New York Life Insurance Company, New York, New York, proposing increases of zero to 80% affecting 2700 Marylanders, and that's on the individual side. I'll let New York Life speak to their approach, but I want to mention that they do have a unique approach guaranteeing that if we reach agreement on what they have asked for rate wise, then no more increases and it piqued our interest and, again, I'll leave it to them to unfold what they will put before us.

In the group market, we have MetLife with us asking for a 7.1% increase, also New York, and affecting 55 Marylanders. So, all together from what I've just gone through, we're just talking about impacts to 7100 Maryland seniors.

The goal of the hearing is for transparencies, having the company representatives explain the reasons for their rate increase. We'll listen to comments from consumers and interested parties. So, it's to foster a dialogue on important issues, a complicated issue.

A few procedural things: There is a handout with all of our contact information, Adam, Jeff, I. Everyone is very interested in your thoughts if you care to take the time to share them with us. We also have Mary Kwei for complaints. Ms. Muehlberger works for me and Craig Prem all have open ears to your thoughts. So, you pick one up and they're on the table over there. And, please, if you'd like to speak, sign up and you're welcome to speak and share whatever thoughts you have. But, you need to RSVP. People to RSVP or you need to sign up in order to speak.

Just, again, it's not an open question and answer forum. We can ask questions from the table up here. We will keep the public record open until about a week from today, Wednesday, February 26th, so you can submit written testimony. You can react to this hearing and you can submit that on the MIA website. I forget, so I'll remind you, you get to it by clicking on the long-term care tab and there's quick links area, so two clicks and you can get there. We have a court reporter. Thank you. So, keep that in mind. I'll try to speak slower and more clearly.

For anyone calling in, anyone else, please mute your phones. Don't put us on hold. As you know, then we'll hear music and it's really hard to proceed. So, I'd really appreciate your paying attention to that. When you do speak, please restate your name and your organization. It's helpful. We'll get a transcript in about three to six weeks and it will be available on the website as well and it helps to have a record of everything that we share here.

So, those of us in the actuary's office

appreciate this opportunity to speak with all of you. We have a few comments. First, my colleague, Adam Zimmerman has a few and then I'll have a few before we ask the carriers to go.

MR. ZIMMERMAN: Good morning. Thanks to everybody for attending. As Todd pointed out, my name is Adam Zimmerman in the actuary's office here at the MIA. Just a few things I wanted to point out mainly about the 2019 -- in 2019 the MIA approved rate increases for seven long-term care companies. That affected 18,000 Marylanders. And from the requested to approved, those seven companies requested approval for a 37.8% rate increase and the average approval was 9.7%.

Following up on that, just some costs for 2019. Cost of care in Maryland and how they compare to national data. So, in 2019, in Maryland, the median cost for a home health aid was $54,900. And the median cost for an assisted living facility was $51,600. On a national basis for the home health aid, the cost was 52,600 and for the assisted living facility, it was

48,600. Similarly in 2019, for a private room in a nursing home, the median cost in Maryland was $120,000 compared to $102,000 national. So, just something we look at to keep in consideration when we are reviewing rate filings here in Maryland.

MR. SWITZER: Thanks, Adam. Just to accentuate the value of the benefit of -- for anybody on the phone, appreciate you being on the phone. If you can put it on hold -- mute, not hold, I'd appreciate it. Thanks.

The value of the benefit, we saw some statistics, national statistics, of some companies, some of the claims they have paid, and one that just caught my attention was a claim that lasted for 19 years and the payout was $2.6 million. So, those claims are out there, and again, accentuate why people buy the coverage and when it really comes through for people.

For the carriers, for my part, since we last met in November, we had several comments from seniors who have come in to give all sides of the

Page 10

vantage points, just wanted to read a few excerpts from a couple of them. One was from a couple in Odenton, Maryland. One of the things they said is, "we're a retired couple in our late seventies living on a fixed income." The most recent premium increase, and their increase, and they bought in 2002, as most recently over 19 years the premiums started at $4,000. It's up to about 10,000. So, 150% increase. "The most recent increase is a challenge for us financially and leaves us wondering if the rate of increase of these policies will continue and ultimately result in a cost beyond our reach before the time occurs that we may need the care. This concern occurs at a time when we are retired and living on a fixed income." I know we have heard this, but it helps me to remind what these filings -- how they impact people directly.

Another one, "the company has increased my premiums, an amount inhospitable to my modest fixed income." It affects his physical health and in parentheses, mental wellbeing and earnestly asks us to consider that.

Page 11

MS. SONG: Last one, "we're in our seventies. We are retired with no pensions and very modest savings. Like so many other families in Maryland in our situation, we are supporting our two grown sons who have developmental disabilities. The choices before us reduce our ability to take care of ourselves and each other especially when there's no family to help to fray the cost. We ask you to seriously consider the consequences of this rate increase." So, some of the ways we're responding to our dialogue with you and these comments are, one, we're asking all companies to provide a full 50 year financial proforma including investment income so we can assess the financial impact, financial damage, and have the same approach for each company and to find exactly what break even means. Because it means a different thing, as we said before, to different companies and approach it from that perspective. We're asking companies to break the expense into benefit period and inflation and no inflation just to focus where exactly the problems are concentrated. There is

Page 12

a big difference, as you know, between a two year benefit and ten year unlimited or no inflation and 5% inflation and it's kind of concerning to see that 57% of Marylanders still have 5% inflation which may be a little more than they need.

We're also asking carriers, as you know what we have heard from seniors is that these 15s after 15s, kind of relentless 15s, is there a way that we can work with carriers to reach agreement on rates and then stop, have an end in sight to the increases, maybe a five year hiatus, ten year. We'll talk about that more. We're also trying to stay apprised of what's happening nationally. Adam has joined an American Academy of Actuary work group looking at innovation in LTC, trying to stay knowledgeable of what other states are doing. There have been some proposals both in an Annapolis and nationally for tax exempt incentives for LTC for the ability to withdraw from 401-K or IRAs to pay for long-term care without a penalty to have health savings accounts for long-term care. Efforts to educate better, hybrid plans, you know, what is being

Page 13

done in states like Washington and Maine. We're attempting to do that in Maine. We're talking about at what point when members get to a small level that the financial benefit of the premium becomes relatively in actuarial terms small dollars and just to let it go if we're down to a very small number of members.

That's just an excerpt of what we're trying to work on and thank you. We have by no means found the answer. But, we're still looking. So, with that, I appreciate the carriers being here and ask them to come up. I believe Mr. John Svedberg of CMFG is on the phone; is that right?

MR. SVEDBERG: That's correct.

MR. SWITZER: Great. Then you're up.

MR. SVEDBERG: Thank you and good morning. My name is John Svedberg, director and actuary representing product management for CMFG Life's long-term care block of business. First of all, I want to make sure everyone can hear me.

MR. SWITZER: Yeah, you're good.

MR. SVEDBERG: Great. I would like to

Page 14

thank Commissioner Redmer and his team for this opportunity to discuss our current long-term Care rate filings pending with the Maryland Insurance Administration.

CMFG Life has submitted two rate requests; one for the 2002 product version and one for the 2006 product version. The 2002 product covers policies sold between 2003 and 2008 and will impact 814 policyholders in force as of December 31, 2018. The 2006 product covers policies sold between 2007 and 2010 and will impact 761 policyholders also in force as of December 31, 2018. We are currently requesting a series of three 15% rate increases for Maryland policies to be implemented annually over the next three years. We have received prior rate increases for these products. The 2002 product received 15% increase effective in 2016 and an 8.7% increase effective in 2019.

Our current rate request decision did not come lightly and we understand the difficulties these rate increases can be to our policyholders. It is important to note that CMFG Life is not trying to get

Page 15

back to original life time loss ratios or minimum loss ratios under rate stabilization. Rather, we intend to share the product risk, hoping to achieve only the rate increases needed to bring target ratios at or near 100%. We annually review our assumptions and augment our experience with industry experience when it is not fully credible. We have begun tracking Maryland reserves released as a result of policyholder actions from the most recent rate increases. This will serve as another source to help mitigate any future rate increases.

We want to be transparent to both the Insurance Administration as well as the policyholders. We know that everyone wants to know what to expect and when rate increases will stop. And we understand that the 15% rate cap allows manageable incremental increases. That is why we have requested the series of rate increases to give a clearer indication of our overall expected plan.

The assumptions reviewed to determine these expected loss ratios are standard key assumptions

Page 16

within the long-term care industry; mortality, policyholder lapse rates and morbidity. Any portfolio interest rate assumption relies upon the regulatory statutory valuation rate used for active life policyholder reserves and therefore does not specifically rely upon the company's portfolio interest rates. Company experience was used to the extent it was statistically credible and supplemented by fitting with industry data.

Overall mortality and lapse rates have consistently been lower than original pricing assumptions. This results in more policyholders available to initiate claims and drive aggregate claim costs higher. Morbidity experience has been higher than original pricing assumptions for the 2002 products and lower than original pricing assumptions for the 2006 product. As more experience emerges, we continue to see increases in the slope of the claim cost curve, so as policyholders grow older, incidence and claim costs increase which ultimately drives increases in the expected lifetime loss ratios.

Page 17

Finally, we are committed to working with policyholders faced with these rate increases to make the decision that is appropriate to them. Our rate increase letter has been improved to proactively provide a table of common options available to manage their premium. Additional options can be quoted by contacting our customer care center. we are now making the regulatory contingent benefit upon lapse nonforfeiture benefit option available to all policyholders faced with rate increases.

We feel that even with the rate increases, our long-term care product continues to provide needed benefits at a reasonable cost to the policyholder. I would like to thank commissioner Redmer for this opportunity to participate in today's hearing. I will be happy to take your questions.

MR. SWITZER: One question that I had is for the 1600 members in these filings, that's all of your members in Maryland; correct?

MR. SVEDBERG: We have a product -- the 1997 product, which has 20 policyholders, so virtually all of the business in Maryland is sold through these two products.

MR. SWITZER: Thank you. One of the things that I was wondering if you would be open to talking about is as we looked at the experience broken into some pieces, we have noticed that the policies with no inflation, there's 43 of them on one of the forms and 63 members on the other, the experience is a lot different, better and would you be open to discussing a different rate action there? Perhaps no rate action? Happy to discuss that?

MR. SVEDBERG: We are certainly open to discuss that. I know that we've typically taken the approach to doing blankets because the product was priced kind of through an expected distribution of claims -- or product features. So, whenever we've asked for rate increases, we've typically asked for that. But, it is something that we are interested in entertaining.

MR. SWITZER: I appreciate that. Anything else up here?

MR. JI: I have a question. This is Jeff. So, referring to your response to one of our objections, you mentioned the company is seeking 150% cumulative increase. Is that 150% rate increase based on the 100% loss ratio?

MR. SWITZER: Excuse me just a moment. Anybody who is own the phone, we can hear somebody. So, if you could, please put it on mute. We'd appreciate it. Thanks. Did you get that Mr. Svedberg.

MR. SVEDBERG: Maybe if you could repeat it, that would be great.

MR. JI: The question is, in your response to one of our objections, you mentioned that the company is seeking 150% cumulative rate increase in both states. I'm wondering, is that based on the hundred percent loss ratio?

MR. SWITZER: So far in Maryland, the increases have been 25 to 45% so far. Ultimate goal is 150?

MR. JI: Yes.

MR. SVEDBERG: Yeah. As we looked at the

entire block of business, we've seen that under current assumptions, targeting toward 150% rate increase cumulative would give the block in total at or near the 100% target loss ratio. We were filing through 50 states. Not all 50 states -- we don't have products in some states, however, we are, you know, we're trying to do that and as you well know, there are certain challenges across certain states.

MR. SWITZER: Appreciate it. Thank you. One thing, again, we'll be engaging you about is if there is a scenario where we could talk about a series of increases that would maybe meet in the middle and then not have a year after year 15% increase. But, that's just advanced notice.

MR. SVEDBERG: All right. That's interesting. We've had discussions with other states at times for a similar -- I'll call it moratorium of a period of not coming back to allow experience to continue to accumulate. So, we're willing to think about that scenario.

MR. SWITZER: Thank you. Last chance.

Anybody else? Thank you very much. Appreciate it.

MR. SVEDBERG: Thank you.

MR. SWITZER: Next we have Lincoln Benefit, Ms. Xiaoyan, are you on the phone? I'm sorry. You're in California and this is so early for you. We will consider that next time. But, feel free to start.

MS. SONG: Good morning. Thank you for the opportunity to discuss this long-term care rate increase filing by Lincoln Benefit Life Insurance Company. My name is Xiaoyan Song, spelled as X-I-A-O-Y-A-N S-O-N-G. I'm a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I am a consulting actuary who has been authorized by Lincoln Benefit Life Insurance Company to file the rate increase on its behalf.

The company is currently requesting a 15% rate increase to the premium rate charged for the policy form LB-6301, LB-6302, and LB-6303. Policy form LB-6301 provides facility only coverage. LB-6302 provides comprehensive coverage while LB-6303 provides home health care only coverage. The request would impact the premiums for the 287 policies, 409 policy holders, in force as of the end of 2018.

These policy forms were available for purchase in Maryland between 1999 and 2004 under the product name Senior Linc. They were priced to meet the minimum loss ratio requirements. The increase is being requested because actual experience on this block has been less favorable than originally anticipated at the time the product was designed. The original anticipated lifetime loss ratio was 68%. Without the current requested rate increase, and under current best estimate assumptions, the lifetime loss ratio is expected to be well above a hundred percent.

Rate Increase Rationale: These policy forms were originally developed in the late 1990s using assumptions which seemed reasonable for their time. However, the reality has turned out to be quite different. Here I am going to talk about major assumptions and what happened with them over time: Lapse rates, each year, a certain percentage of people

stop paying premiums for their policy, either because they voluntarily discontinue their policy or because they die. When this happens, the policy lapses and the excess early year premiums, which were set aside in reserves, are available to prefund expected costs for continuing policyholders. This creates what is referred to as a lapse supported policy. The greater the number of policyholders who stop paying their premiums, the lower the premiums will be for remaining policyholders. Thus, if the assumption of how many people will stop paying is too high, there will not be enough premiums collected to pay all the claims and a rate increase will be become necessary later.

Interest rates: Long-term care premiums are collected over many years. The majority of those premiums are set aside in reserves and invested until such time, usually decades later, as they are needed to pay claims. The amount of interest earned on those investments is based on expected future interest rates. If interest rates used in assumptions to price the product, based on currently available interest rate

data), are too high and actual earned interest is lower, usually because of an economic decline, the premiums charged for a policy will become insufficient.

Claim costs: Claim costs are the combination of how many people go on claim each year, referred to as incidence rates, multiplied by the length of time the stay on claim, referred to as continuance rates. While incidence rates have been approximately what was expected, continuance rates have been longer than anticipated resulting in claims costs slightly higher than originally forecast. These items have contributed to an insufficiency of the original premiums charged by all companies across the LTCi industry. The combination of these has resulted in the need for the company to file for and implement rate increases.

Rate Increase Impact: There is a significant impact for the policyholders. Policies were sold with the possibility that premiums could increase, but with expectations that the premiums would remain the same over the life of the policy. Thus,

when policyholders receive a notice that their rates will increase, tensions can run high and we do our best responding to calls and letters asking why this has happened and what can be done about it.

Fortunately, there are some options to help minimize the impact. Policyholders can reduce their coverage to keep their premiums about the same by changing benefits, the daily benefit, the maximum benefit period, or the inflation protection level, or they can choose to keep their coverage at the full level and pay the higher premium. Or they can take the CBUL benefit, which is automatically provided to all Maryland policyholders with no consideration of triggering point.

In order to improve communication with our policyholders about their options in connection with the rate increase, we invite the policyholders to call our dedicated customer service team to discuss their personalized options that will allow the policy to meet coverage and their financial needs.

We look forward to continued dialogue with Maryland Insurance Administration in the rate increase process. I welcome any questions you may have.

MR. SWITZER: Thank you. So, I see that for these policies increases so far, 67%. It's 287 members affected by this filing. Policy issued in 1999, first issued, also saw new modeling that at its height, that the membership was up to about 546 members. So, my question is, we expect enrollment, it's closed block to only decline, and as members go on claim and stop paying premium, in order for on the life of the policy to hit some financial targets, even the lifetime loss ratio of a hundred, as the number of members dwindled, numerically, the increase that can be needed can -- will just get higher and it's already very large. Yet, the revenue from this relatively few number of people, I estimate a 15% increase for one year on these 287 members, about 173 grand a year, so my question is, is there openness to discussing if, once we agree on what's to be done with this filing,

any kind of hiatus for these 287 members? Maybe a five year break or any -- would you be open to discussing something like that?

MS. SONG: Okay. First I want to make a correction on the 287 policyholders in Maryland. That would be 287 policies because our policies we have individual policies and joint policies. And one joint policy covers two insured. So, 287 policies may have more than 287 policyholders. I looked at the number. It's 409 policyholders in Maryland. And this block is 100% able to reinsure. So, any future climb for the new round of rate increase has to be initiated by this reinsured. Currently, I mean, we do not have any plan for the new population increase nationwide. But, not enough approval, what we have requested historically between 155 and a cap. So, while we anticipate requesting two more rounds of 15% catch up rate increase to reach the level compatible to the state that have approved full request. As the rate increase, like a guaranteed five years, you basically in the question, is something that we have to talk to the

insured and the company to see whether this is something that the company can accept.

MR. SWITZER: So, we can bring the reinsurer into our correspondence? I would expect so? Or you will? But, they can be brought into the discussion?

MS. SONG: Right. Because 100% -- I'm sorry, the rate being 100% on the reinsurer, actually, the reinsurer will have the performance of this block and the one that trigger is the one that initiated the rate increase request.

MR. SWITZER: Sure. I saw that in Surf. I appreciate the detail in Surf. Just as an advanced notice, as we're working with the carriers, we moved again, as you know, from a loss ratio basis to a lifetime net income basis, and for some carriers the 100% loss ratio corresponds to a break even. We had another recently where with significantly higher than 100, when you brought in investment income, came to a break even. So, our conversation will be along those lines. Any other questions up here?

MR. JI: This is Jeff. I would like to know, so you mentioned you may not seek additional two 15% rate increase in the future?

MS. SONG: Yes. These are for the catch up rate increase because Maryland is not approving the full amount requested on this block.

MR. JI: Okay. After that, what are the target lifetime loss ratio looks like after two additional 15% rate increases?

MS. SONG: That is over 100%. We will need additional two more rounds of 15% rate increase requests.

MR. JI: Okay. Thank you.

MR. SWITZER: Last chance for anybody? Thanks again, Ms. Song. Thanks for starting your day early for us too. MetLife. Mr. Trend? You're up.

MR. TREND: Good morning to the representatives of the MIA, MetLife long-term care policyholders, other interested members of the public and, importantly, MetLife policyholders. My name is Jonathan Trend. I am a senior vice president and actuary at Metropolitan Life Insurance Company. I have oversight responsibility for the actuarial memoranda and accompanying documents that support the applications. I am a fellow of the Society of Actuaries, a member of the American Academy of Actuaries and have over 20 years of experience with long-term care insurance and the risks, assumptions and benefits that are characteristic of the coverage.

I welcome the opportunity to present my views on MetLife's long-term insurance rate filing currently before the Maryland Insurance Administration and to answer your questions. Thank you also for providing this forum for Maryland citizens including our valued customers to express their views and comments on the filing. My brief presentation will include a description of the steps we have taken to mitigate the impact of the proposed increases. I also hope to provide a greater understanding of why the increase is necessary and the process MetLife uses to evaluate the underlying assumptions and risks that we are required to assess

before filing for an increase with the Administration.

Please keep in mind that this presentation will highlight and expound upon certain areas relating to MetLife's filing made with the Administration on October 1st, 2019. The filing presents the full and complete actuarial basis for the requested rate increase and constitute MetLife's official request.

MetLife's decision to file for a rate increase was made only after careful and in-depth analysis of the experience relating to the policies that are the subject of these filings. We are proposing this increase in light of the information that has emerged over the years the policy has been in force, including claim experience and persistency and the changes in assumptions underlying the policy since it was first issued. MetLife believes that the rate filing made with the Administration clearly demonstrates that the increase is needed because the experience relating to the policy has been and is

expected to remain materially worse than initially anticipated. This is also my professional opinion.

I believe that the proposed premium schedules are not excessive, nor unfairly discriminatory and the benefits provided are reasonable in relation to the proposed premiums based on the lifetime loss ratio being in excess of the minimum requirement set by Maryland insurance law.

Background: As background to the filing, I think it will be helpful to briefly explain the scope of the application that is the subject of today's hearing. MetLife is seeking approval of 7.06% on a single group policy form issued to members of AARP. Approximately 55 insureds from this business may be impacted by this rate increase.

Review of application: As previously mentioned, MetLife believes that the application demonstrates that the requested increase is justified and meets all Maryland requirements for approval. To assist you with your review, I will briefly speak to

the application and why we believe the requested increase is reasonable. I will start by referring you to specific portions of the filing that demonstrates that the loss ratio on the Maryland policies after application of the requested increase will remain far in excess of the minimum loss ratio required for rate revisions under Maryland insurance law.

Loss ratios: The term loss ratio used throughout our testimony is here defined as the ratio of incurred claims, the monies paid to claimants, to earned premium, the monies we collect from policyholders. References to past, future and lifetime loss ratio or similar qualifiers indicate the inclusion of interest, time value of money, in the calculations which is a required and accepted actuarial practice.

As part of the in force management of the business, MetLife monitors the performance of the business by completing periodic analyses of persistency rates, how many policyholders keep their policies, mortality rates, how long policyholders live, and morbidity rates, the frequency and severity of claims.

Page 34

The findings from these analyses were used in projecting the future performance of in force business to determine the effect of experience on the projected lifetime loss ratio. The reason we study these parameters is because they bear directly on projected levels of claims and premiums over the lifetime of the policies.

As explained in the memorandum, overall actual persistency rates have been higher than that assumed when the policies were priced. Mortality rates have been lower than that assumed in pricing and morbidity levels have been generally higher than that assumed in pricing.

The combined result of past experience and future projections based on current assumptions, without a rate increase, is a loss ratio that far exceeds the minimum requirements. In fact, the current projected lifetime loss ratios in Maryland is 103%. This means that our current rate basis has us paying out $103 in benefits for every $100 we collect in premium. Even after rate increases at the level

Page 35

requested in our application, the loss ratio for the Maryland policies will be 100%. Again, well in excess of the minimum requirement.

Closing: Please be assured that while MetLife believes the requested increase is necessary, justified and permitted under Maryland's insurance laws and regulations, we also understand that any approved increase may cause some policyholders to consider canceling their coverage. MetLife's experience shows that the vast majority of policyholders choose to maintain their coverage even in the face of rate increases. For all policyholders, including those who may consider ending their coverage because of any approved rate increase, we will offer them multiple options where available to modify their coverage to keep their premiums at a level similar to their current premiums. In addition, we are extending the use of the non-forfeiture endorsement which was previously authorized by your department. This endorsement will provide a non-forfeiture benefit so that all policyholders who choose to stop paying premiums in

Page 36

response to a rate increase can still maintain some paid-up coverage. This means that for those policies, every premium dollar previously paid, minus any benefits already received, will be available as a benefit if the insured goes into claim.

In closing, I feel the value provided by this coverage is significant and we are proud of the service we have provided to MetLife policyholders, especially at the time of claim. Since entering the long-term care insurance market, MetLife has paid out approximately $5 billion in claims.

Thank you for the opportunity to testify in support of MetLife's application. We respectfully request that the administration approve the filing as submitted. This concludes my prepared remarks.

MR. SWITZER: Thank you. Thank you for your reply in Surf. We have had some discussions, as you know, about the certain number of years after where once we reach agreement on this filing that there be no more increases and you mentioned a uniformity with the

Page 37

other AARP policies. So, do you have a rough idea, I understand if you don't, how many other AARP policies there are in Maryland besides this 55 in this filing?

MR. TREND: Many. I don't have a number before me, but significant. This particular filing is one of our smaller policy forms from the bulk of the Maryland policies remain under what we call our originally IP group policy that we issued in about 1998. The vast majority.

MR. SWITZER: I think I understood from Surf that if there were to be any openness to any kind of guarantee for no more increases, it would be something that AARP would have to be engaged or you would engage AARP? They would have to be involved in that type of decision? Do I have that right or no?

MR. TREND: We would certainly discuss any proposal with them. In terms of authority, it's our business.

MR. SWITZER: Understood.

MR. TREND: But, they're the group policyholder. Just a reminder, this a group contract.

Page 38

In my testimony when I spoke to policyholders, I was being a bit colloquial or technical certificate holders for this group policy for this morning. But, to answer your question, we would discuss that with them. But, it would ultimately be our decision.

MR. SWITZER: Thank you. So, your expectation is that after this 7.1, no more may be needed, but you still want to have the openness to examine experience?

MR. TREND: Yes. However, we, as you know, annually revisit our -- we do an experience study every year, reset all our assumptions and recalculate our justifiable -- actuarially justifiable rate increase and that process typically concludes around October. And for this policy form, and actually other AARP policy forms, we have concluded we do need further rate increases and do expect to file those shortly.

MR. SWITZER: Based on your October 2019 study, you determined that more will be needed after the 7.1?

MR. TREND: Yes and on the other AARP

Page 39

policy forms as well.

MR. SWITZER: Thanks. Anything else at the table?

MR. JI: I just want to catch up with this --

MR. SWITZER: Go ahead, Jeff.

MR. JI: You are anticipating another round of rate increase?

MR. TREND: I'm sorry. What --

MR. JI: What condition you were anticipating another round of rate increase? So, like the loss ratio? How much worse --

MR. TREND: Yes. So, the evolving assumptions, when we made this application for this current filing, was based on information from about three years ago. As you'll recall, we applied for about a 23% rate increase. You granted us 15% approximately two years ago. This is the remainder of that original application, is the 7.1%. So, in the three years of experience that has emerged since that original application, combined with our current views

Page 40

on a projection basis we do expect needing more. And, in fact, just full disclosure, we have filed in other jurisdictions on that basis including the jurisdiction in Washington, D.C.

MR. ZIMMERMAN: I have just one question. Are the 55 certificate holders in Maryland, do you know how many of them are in claim currently?

MR. TREND: I do not.

MR. ZIMMERMAN: Okay.

MR. TREND: I could guess like zero or one.

MR. ZIMMERMAN: Okay. Thank you.

MR. SWITZER: Anything else? One more time. Thanks again. Next we have Mr. Ball, senior VP and Mr. Beligotti, VP and actuary from New York Life.

MR. BALL: Good morning. On behalf of New York Life, I would like to thank the Maryland Insurance Administration for the opportunity to participate in this hearing on long-term care insurance premium increases. In addition, we appreciate the opportunity to address attendees on this important topic.

My name is Aaron Ball and I am a senior

Page 41

vice president and CEO of New York Life's long-term care insurance business. I'd like to start by providing a brief overview on New York Life. As the nation's third largest life insurance company and the largest mutual life insurance company, New York Life has been in the life insurance business for 175 years. Today, no U.S. life insurer has a higher financial strength rating than New York Life. We have been in the long-term care insurance business for more than 30 years. Today, we are the third largest writer of standalone long-term care insurance and remain committed to helping to protect our policyowners and their families by offering the most comprehensive suite of long-term care solutions available in the market.

The decision to request a premium increase on certain older blocks of long-term care insurance was a difficult decision. As a mutual insurance company, New York Life is accountable to our policyowners rather than outside investors and we understand the impact that a premium increase will have on our policyowners. That is why we have given this special consideration and developed a proposal that we believe is unique and we believe limits the impact of the increase on our policyowners. Before I discuss our proposal, however, I thought it would be helpful to provide an overview of our proposed premium increase.

We determined that a premium increase was necessary on certain older blocks of long-term care insurance as a result of both our prior and projected experience on these policies. As a result, we have requested a nationwide increase on two policy series, LTC Select policy series 4.0 and LTC Select Premier policy series 5.0. In Maryland, the LTC Select 4.0 policy series was issued from 1997 to 2003 while the LTC Select Premier 5.0 policy series was issued from 2002 to 2012. In 2013, we requested an average premium increase in Maryland of 27.1% for the LTC Select 4.0 product and 23% for the LTC Select Premier 5.0 product. Premium increases of 15% for the LTC Select 4.0 product and 13.4% for the LTC Select Premier 5.0 product were granted. These have been the only premium increases requested on these products. Despite using what we

believed were reasonable assumptions at the time these products were originally priced, which was almost 20 to 25 years ago, our experience on these blocks of business is materially worse than we expected. The current lifetime loss ratio is much higher than our original pricing loss ratio. Even after the requested increase, the lifetime loss ratios will remain higher than the initial pricing target, in some cases, significantly higher. In fact, it is important to note that the requested premium increase is not intended to recoup past losses. Rather, the increase will help mitigate a portion of the future losses we expect on these blocks of business.

As I mentioned previously, we believe that we submitted several proposals, both nationwide and to the Maryland Insurance Administration, that we believe will help mitigate the impact of the premium increase on our policyowners.

First, we recognize the impact that a premium increase has on our policyowners. We also understand that the possibility of future premiums

increases can materially affect the decision making of a policyowner. For example, policyowners faced with a current premium increase, in addition to the potential for future premium increases, need to determine whether they pay the increased premium, reduce their benefits or keep the policy altogether. Our goal was to eliminate the concern about future premium increases for our policyowners that own policies under these policies series.

As such, we have proposed a lifetime premium guarantee on these two blocks of business in the event that Maryland approves the premium increase we have requested. We believe that we are the first carrier to offer this type of lifetime guarantee. This means that any policyowner that owns these policy series would never have to worry about another premium increase again in the future on their New York Life policy. If experience on these policies continue to deteriorate in the future, new York Life has made the decision to assume this risk on behalf of our policyowners.

If the full increase is granted, we ill provide all policyowners with a policy endorsement that guarantees that their premium will not increase again in the future unless the policyowner elects to make a change to their policy to add additional benefits.

Again, we believe it is important to share in adverse experience with our policyowners and give them the certainty they need to make an informed decision with respect to our current premium increase requests.

Second, New York Life has proposed that all policyowners aged 74 or older as of January 1, 2020 be excluded from the premium increase. As policyowners age, their ability to pay the increased premiums while on a fixed income is increasingly difficult and we want to ensure that policyowners keep their policies in force, especially as they age and become closer to a potential claim for benefits. For that same reason, New York Life has also proposed a reduced premium increase for policyowners aged 69 to 73.

It is important to note that New York Life is absorbing past and future projected losses on those policies excluded from our request or where we have requested a reduced premium. Our younger policyowners are not subsidizing the losses we expect on behalf of our policyowners aged 69 or older.

Third, we have proposed a contingent non-forfeiture benefit that will be available to all policyowners regardless of age or the amount of the premium increase.

In terms of our requested premium increase, we are requesting an 80% increase on the LTC Select 4.0 policy series for insureds aged 68 and younger as of January 1, 2020. This is an estimated average of monthly increase of $76 per policy.

For insureds aged 69 to 73 as of January 1, 2020, we are requesting a 45% increase with an estimated average monthly increase of $66 per policy.

As mentioned previously, we are requesting a 0% increase on insureds aged 74 and older as of January 1, 2020.

On the LTC Select Premier 5.0 policy

series, the request is tiered by issue age and attained age. For insureds with an issue age of 60 and younger, who are aged 68 or younger as of January 1, 2020, we are requesting a 80% increase which is estimated to be a $117 per month average increase. For insureds with an issue age of 60 and younger, who are aged 69 to 73 as of January 1, 2020, we are requesting a 45% increase which is estimated to be an $81 per month average increase.

For insureds with an issue age of 61 and older, who are aged 73 or younger as of January 1, 2020, we are requesting a 45% increase which is estimated to be a $109 per month average increase. And for any insured aged 74 and older as of January 1, 2020, we are not requesting an increase.

Overall, the average increase that is being requested on LTC Select Premier 5.0 policy series is 54.5%.

We appreciate that any increase in premium can be difficult for our policyowners. Therefore, in addition to the proposed lifetime premium guarantee, as

well as the other proposals I've outlined to help mitigate the impact of the premium increase, we will be providing policyowners with customized policy benefit reduction options that are designed to keep premiums approximately the same as their current premiums. In addition, with over 10,000 New York Life agents available nationwide, our policyowners will have the option of either meeting with an agent directly to discuss options or contacting our dedicated call center. All impacted policyowners will be given written notice 90 days in advance of the premium increase and will have up to 60 days following the effective date to either pay the new premium or elect a benefit reduction option. And while we don't recommend that our policyowners lapse this important coverage, any policyowner that does decide to terminate their policy in response to the premium increase will receive a paid-up policy equal to the premiums they have paid into the policy through the termination date, less any claims paid.

Thank you again for the opportunity to be

here today and I'm happy to address any questions.

MR. SWITZER: Thank you. These filings that we're discussing today affect about 80% of your members in Maryland. So, for the remaining 20% or about 700 members, at this point in time, are you able to relay your expectation of whether increases will be needed there?

MR. BALL: We do not have any intent or plan to request any subsequent rate increases at this time.

MR. SWITZER: I know we started in the market in the late seventies or so with 38 stand alone companies and you're one of four still selling to do business. Curious, do you offer hybrid products?

MR. BALL: We do. We offer stand alone products, hybrid products and then acceleration products.

MR. SWITZER: Are the hybrid products available on a single premium basis?

MR. BALL: They're available in a single premium as well as recurring premium basis.

MR. SWITZER: Last one from me is, so as we have talked to our lawyers and assessed things, one we have asked, as you know, through Surf, talked about for the 80% increase, just a scenario where it's graded in over five years and for the 45% scenario graded in over three years, the yearly increases range from 14% to 11.5, as we're evaluating this proposal you've put forward and the modeling you've given us, appreciate your statement about not to recoup past losses, in assessing the kind of the financial impact and implications and consequences of this proposal, like you said, you're sharing in the adverse experience, can you try to quantify that? It looks like over the life of these forms that the net income present value is less than 1% which we take as less than 1% all in, including investment income, which sounds to us like a break even. I'm not intending to put you on the spot, does that sound like in the vein of your thoughts financially of what this implies?

MR. BELIGOTTI: I don't have those numbers exactly in front of me. On the 5.0 product, that

sounds pretty close. After the rate increase, that would be very close to break even. On the older product, the 4.0, I think the losses are still significant. When we kind of do our analysis of combining the two of them together, it looks like New York Life is absorbing a little bit more than 50% of the lifetime losses. We're happy to share that analysis.

MR. SWITZER: That helps. Thank you. Anything else up front?

MR. JI: This lifetime rate guarantee, is this nationwide approach or just for Maryland?

MR. BALL: We have proposed this nationwide in any state that approves the full amount of our request.

MR. JI: Thank you.

MR. ZIMMERMAN: To follow-up on Jeff's question, can you provide details as to how many states -- I'm assuming you're filing nationwide, but how many states have approved it today as far as the rate guarantee?

MR. BALL: We can follow-up. It's approximately a dozen approved the rate increase thus far.

MR. ZIMMERMAN: Okay, and then the second question I have relays off of what Todd asked earlier about -- you had touched briefly on it in your testimony, but if we approve it and the rates become noncancelable, as know, you can't raise premium rates in the future, so has a sensitivity test been performed for like worse case scenarios where experience like lapses are zero and utilization is like every policyholders utilizes benefits to see like -- how would you feel comfortable, I guess, absorbing those losses without putting the rest of the company in financial jeopardy?

MR. BELIGOTTI: We did sense, not specifically what you mentioned, 0 lapses and 100% utilization, but we did do a couple of sensitivities where we assumed a morbidity gap significantly worse over a period of time and the losses were large, but relative to the total size of New York Life's surplus,

it was manageable especially considering that those losses would be incurred over a period of decades rather than immediately.

MR. ZIMMERMAN: Sure.

MR. BELIGOTTI: During which New York Life's surplus would potentially continue to grow as well.

MR. BALL: Just maybe to add to that comment, the long-term care reserves represent only about 1% of total company reserves. So, we're extremely well capitalized.

MR. ZIMMERMAN: Thank you.

MR. SWITZER: Anything else? Thanks again. RiverSource? Speaking is Mr. Caswell, reinsurance officer and VP actuary. Mr. Pietsch, I apologize. Senior vice president and VP of community relations.

MR. PIETSCH: Good morning everyone. My name is Brian Pietsch, spelled P-I-E-T-S-C-H, and I'm the senior vice president of community relations and public affairs of RiverSource Live. With me is my colleague, Charles Caswell, vice president and actuary.

Page 54

First I want to take this opportunity to thank the department and the commissioner specifically for making the time for this important opportunity to participate in the hearing. Thank you also for providing a form for the Maryland citizens including our valued policyholders to express their views and comments on our filings.

First, all of RiverSource's long-term care policies were distributed by its affiliated network of financial advisers. the goal of the company is that each of the policyholders has a life long comprehensive financial planning relationship with their financial advisor. I'm here today to address our five long-term care premium rate increase filings currently pending before the administration.

The company is currently requesting a 15% rate increase on each of its Maryland nursing home only and comprehensive long-term care policies. Except for the policies with nonlifetime benefits on one form, we're requesting a 12.7% increase. The filings were submitted on October of 2019. The request would impact

Page 55

the premiums of 2,452 policyholders as of December 31st, 2018. The policy form subject to these filings were available for purchase in Maryland between 1989 and 2002. The same time frame, the company offered long-term care policies nationwide. These policies provide richer benefits than many policies sold today. About 58% of the policies have life time benefits and about 95% of the policies offer 5% inflation benefits.

These policies were designed and filed prior to the October 1st, 2002 effective date of the rate stability requirements of Maryland. Meaning, they were priced to satisfy the minimum loss ratio requirement of 60% in effect at that time. The originally priced anticipated loss ratios were developed using the best data available at the time for anticipated persistency and morbidity that ranged between 60 and 68%.

The reason for the requested 15% rate in premium increase is due to a combination of various items: First, relative to our original pricing, people

Page 56

are living longer and holding onto their policies longer than expected. Additionally, actual claim experience is worse than expected especially for older attained ages. Now, we'd like to point out that these policy forms, even with the requested rate increases, provide better benefits with lower premiums than products available in the current long-term marketplace today.

The company has worked with the Maryland Insurance Administration since 2005 to address the losses on this business as implemented rate increases in the past. Cumulative increase amounts vary by policy form and range from 15% to 136%. Typically at most, a 15% for any given rate increase. The average cumulative past increase for Maryland policyholders weighted by original premium is 79.8%. At the most recent rate increase of 15% was implemented on these policy forms in February of 2016. In the filings for the rate increases that the time, the company stated unless emerging experiences improve, we believe it is likely that additional rate increases will be requested

Page 57

in the future. Unfortunately, claim experiences continue to deteriorate since that time and the company believes an additional 15% increase is necessary at this time. Much larger rate increases are currently justified, but not only does the company respect the Maryland statute limiting rate increases to 15% a year, the company also historically typically pursues smaller more frequent rate increases around 15% rather than substantial one time rate increases in an effort to help mitigate the impacts on the policyholders at least if we can.

Now, without the requested rate increase, the expected lifetime loss ratios with interest for each of these policy forms for Maryland policyholders is over 100%. The overall lifetime loss ratio with interest in 123.7%.

In 2018, the company received $4.7 million in premium and incurred $5.5 million of claims on its Maryland long-term care policies, a current loss ratio of 116.7%. And this ratio of occurred claims to premiums is only expected to continue to grow.

Page 58

Of course we acknowledge that the rate increase can be difficult for our policyholders and so we offer a variety of options for our policyholders to adjust the benefits to mitigate the impact of the rate increase. The options include reducing the currently daily benefit, shortening the benefit period, lengthening the elimination period or adjusting the amount of home care coverage. In addition, if the requested premium rate increases are approved, the company will offer all policyholders a contingent nonforfeiture benefit consistent with the requirement set forth through Maryland regardless of the cumulative increase amount or the date of issue or the issue age of the policy.

Now, these options are highlighted in the premium increase notification letter sent to our clients about 60 days before the effective date of the premium increase along with sample premiums for several possible adjustment benefits. We also provide a toll free customer service number with a dedicated specially trained representative answering as well as contact

Page 59

information for the policy's individual financial advisor. Both the customer representative and the affiliated financial advisers have access to the computational tool that allows the customized benefit options and premiums for all policyholders to best meet their needs.

The company has shared in the losses incurred in the block of business. Indeed the company's long-term care block of business has accumulated distributable earning losses of approximately $200 million over the past 11 years and the company provided additional capital to the long-term block of business in the form of $200 million in asset adequacy reserves. The amount is reviewed annually as part of our in depth review of emerging experience and updated assumptions.

We humbly ask for these rate increases and we believe that even with the increases, the policies and the value provided are better than the policies currently available in the marketplace. Thank you for the opportunity to speak today. I'll be happy to

Page 60

answer any questions the Administration might have. I'll give the tough ones to my colleague, the actuary.

MR. SWITZER: Thanks. So, the 2500 Maryland policies that you currently filed, that's 100% of your business in Maryland?

MR. PIETSCH: That's correct.

MR. SWITZER: In similar question to other carriers, notice that nationwide, about 2% of the enrollment in the two year benefit period?

MR. CASWEL: Right.

MR. SWITZER: Ask if you'd be open to discussing perhaps a different tact for that benefit?

MR. CASWEL: Yes.

MR. SWITZER: Thank you. So, I may have missed it. I apologize if I did. If you file for a single 15, do you expect to need to file for more 15s in Maryland?

MR. CASWEL: Yes.

MR. SWITZER: Is there a scenario with this filing where we could work with you to a scenario where there could be a ten year, just to pick a number,

Page 61

moratorium, hiatus on rate increases? Beyond the single 15, just a scenario, I use scenario --

MR. CASWEL: There could be a scenario like that if several, depending on the policy form, several 15% increases were approved, maybe could be spread out over a couple of years.

MR. SWITZER: Not holding you to it, but do you have any sense of how many several you need?

MR. CASWEL: Might vary between benefit types? You know, I would say most of our business has inflation which is pretty painful. More than half of our policies have lifetime benefits which, again, is fairly painful. But, I would think that depending on the benefit types it, could be three to four. We're certainly happy to work with the Administration on various options. But to go anything resembling ten years for a single 15% increase, we would --

MR. SWITZER: I wasn't tying it to a single, just to be clear.

MR. CASWEL: Yeah.

MR. SWITZER: Do you analyze experience

once every five years?

MR. CASWEL: Every year.

MR. SWITZER: Annually?

MR. CASWEL: Certainly as part of our gap unlocking process each year, we go into extreme depth on our assumptions.

MR. SWITZER: Just because I might follow-up with you if I could, is there a timing to it? Is it fourth quarter?

MR. CASWEL: It's third quarter. So, our company traditionally unlocks in the third quarter. Third quarter is a very busy time with respect to analyzing.

MR. SWITZER: Thank you. Anything else here?

MR. JI: This is Jeff. From the one response to one of our objections, looks like your company seek much higher, a hundred percent cumulative rate increase. One form, you even say 295% for nonlife --

MR. CASWEL: Not in Maryland.

MR. JI: Not in Maryland? Okay.

MR. CASWEL: That was --

MR. JI: Nationwide?

MR. CASWEL: That was nationwide. We've had challenges over time with this block and until recently, until the last few years, we sought generally 15% increases every couple of years across the country because our policy -- we believe this is valuable coverage for our policyholders and we wanted to share in the pain and we wanted to make sure people weren't scared way from the policies because they think they provide good coverage and we know that large increases might cause policyholders to lapse, you know. Might not be in their best interest.

More recently we realized that experience does just keep getting worse and worse and especially as we see over age, morbidities come to play. So, we started seeking again during by form, much larger increases on the lifetime benefits policies nationwide, but we have been spreading -- we want to spread the increases to the, you know, say three 15% increases or

something like that. So, we do have fairly high targets, but again many of these policies have been out there for 30 years and if you look at the annual increase of the incidence, it's still fairly low single digits.

MR. JI: Thank you.

MR. SWITZER: Anything else? Thanks again. That's all the carriers. Is there anyone on the phone who would like to speak? Please, Mr. and Ms. Fairclough? You're more than welcome if you'd like.

MRS. FAIRCLOUGH: Thank you, yes. I'm speaking on behalf of my husband and myself and would like to thank the Maryland Insurance Administration commissioners and their staff for this opportunity to address our concerns regarding rate increases requested by MetLife long-term care policyholders.

My husband has had as a policy with MetLife since 2002. The policy was taken out at that time because father had a stroke in 1998, but did not have any long-term care policy in place. And after four

years of inhome care, mother was on the edge of bankruptcy. It was just the most horrific family situation and we could not help. We're in our seventies now. Like so many other families in Maryland, we are retired on a fixed income, social security and very modest savings.

We received a letter from MetLife in February 2019 saying that they had received a 32.25% increase and authority to implement a 12.5 increase on my husband's policy by the Insurance Administration and that went into effect in 2019. So, let us say that MetLife intended to request additional increases that if authorized would be implemented the following year which is 2020.

We anticipated their request for increases, but we do not understand why we along with so many other residents of the State of Maryland are held responsible year after year to pay increase policy premiums to offset the costs of their actuarial miscalculations. We're not going to be able to pay for 18 years premiums on long-term care policies having to

Page 66

pay. Each year premiums have increased. MetLife offers options that reduce premiums by reducing coverage. Whatever it selected will significantly decrease funds available for us to pay for future affordable care and the rising health care costs.

These choices meaningfully reduce our ability to take care of ourselves, each other, especially when there is no family to help to fray the cost of care. And with all due respect to the compelling actuarial arguments as resulting requested increase based on the company's cost ratio loss ratio, MetLife is a $47.6 billion company accountable to their shareholders who receive dividends. Policyholders are real people. the continued rate increases affects the physical health and wealth -- mental health of us, of people in Maryland. Not the profits.

So, we urge this board to seriously consider the adverse consequences of rate increases requested and minimize amounts authorized. We thank you again for holding this hearing and we cannot express the importance enough of this commission and

Page 67

what you do. Thank you.

MR. SWITZER: Thank you very much, Mr. and Mrs. Fairclough. I just wanted to let you know that when we get these filings, we take them with a lot of gravitas and go over every page. We share -- we pull from the transcript some quotes, share those with the companies, we share them with legislators to try to get as much attention as possible to this long-term care issue that is every much as troublesome as the affordability care problems we are tackling. You're right, in looking at MetLife, we look -- and all the companies, we looked at the risk based capital, the amount of capital and surplus they have. We know that 2019 was a good year. You're right 148 million dividends were paid in 2018. We're also trying to find the right balance. When we say we look at net income, some of the carriers aren't as anxious to -- they try -- they bring the conversation back to claims and income, but we are -- we very much see the investment income as an underpinning of this product to see what is the right balance. We have one company recently, it

Page 68

was a top ten company in Maryland in terms of how many Maryland seniors they cover, where the loss ratio was much more than a hundred percent that they agreed to. It was 150%. And with their investment income, the losses in Maryland were significant. They were a big company that were in a position to absorb losses. But, the company -- we're balancing your real hardship, which is unequivocally a hardship with -- we're taking on significant risks the companies do, maybe the most risky product that's out there over half a century, what is reasonable return for taking on that risk and we're trying to find that answer and a lot of companies are -- have stepped up and shouldered some.

I understand that more needs to be done. I mentioned that we're looking at what other states are doing because we read these comments because -- if you have to put a face to the problem, and we are trying to find that balance of accountability, and I wish I had more to offer you than that, but that's what comes to mind from what you said. If you have any other thoughts, share with anyone else, please do. But,

Page 69

that's kind of -- we're still pressing for what the right answer is and what the right balance is and I don't think nationally anyone's found it yet.

Any other comments, Mrs. Fairclough or Mr. Fairclough?

MRS. FAIRCLOUGH: No. I appreciate what you're doing, how you are considering and understanding the gravity and the actual impact this has on families -- people, real people. So, thank you again for the opportunity for us to present what's real to us.

MR. SWITZER: Thank you for taking the time. I wish more people did. Please contact us any time, e-mail if you want an update on filings or any other information or anything else we can provide. Any other comments on the phone please? Anybody at all? Anybody in the room have any questions or thoughts? Okay. I will remind you that the next hearing is -- next quarterly hearing is Wednesday of May 13th. Public comments are -- again, are open until -- from this hearing, are open for another week until next

Wednesday, the 26th. Thank you for all the effort and time and thoughtfulness put into this and we welcome dialogue going forward. Thanks again and thanks on the phone. Bye.

(Hearing adjourned at 10:23 a.m.)

State of Maryland
City of Baltimore, to wit:

I, Louisa B. McIntire-Brooks, a Notary Public of the State of Maryland, Anne Arundel County, do hereby certify that the within-named proceedings took place before me at the time and place herein set out.

I further certify that the proceedings were recorded stenographically by me and this transcript is a true record of the proceedings.

I further certify that I am not of counsel to any of the parties, nor an employee of counsel, nor related to any of the parties, nor in any way interested in the outcome of this action.

As witnessed my hand and notarial seal this 10th day of March, 2020.

Louisa B. McIntire-Brooks

Louisa B. McIntire-Brooks
Notary Public

My commission expires:
November 13, 2023

0

0 46:19 52:17

1

1 45:12 46:13,15 46:20 47:3,7,11 47:14 50:15,15 53:10
10,000 10:8 48:6
100 15:5 19:5 20:4 27:11 28:7,8,17 28:19 29:10 34:20 35:2 52:17 57:15 60:4
102,000 9:3
103 34:18,20
109 47:13
10:23 70:5
10th 71:15
11 59:11
11.5 50:7
116.7 57:20
117 47:5
12.5 65:9
12.7 5:6 54:20
120,000 9:2
123.7 57:16
13 3:8 71:21
13.4 42:19
136 56:13
13th 69:19
14 50:6
148 67:14
15 5:4,7 14:13,16 15:16 20:13 21:17 26:18 27:17 29:3 29:9,11 39:17 42:18 54:16 55:19 56:13,14,17 57:3 57:6,8 60:16 61:2 61:5,17 63:7,21
150 10:8 19:3,4,14 19:19 20:2 68:4
155 27:16
15s 12:7,8,8 60:16
1600 5:5 17:18
173 26:19
175 41:6
17781 71:17
18 65:21
18,000 8:11
19 1:4,12 3:5 9:14 10:7
1989 55:4
1990s 22:16
1997 17:21 42:13
1998 37:9 64:20
1999 22:5 26:8
1st 31:6 55:11

2

2 60:8
2,452 55:1
2.6 9:15
20 17:21 30:6 43:2 49:4
200 1:13 59:11,13
2002 10:6 14:6,7 14:16 16:15 42:15 55:4,11 64:19
2003 14:8 42:13
2004 22:5
2005 56:10
2006 14:6,9 16:17
2007 14:10
2008 14:8
2010 14:10
2012 42:15
2013 42:15
2016 14:17 56:18
2018 14:9,12 22:3 55:2 57:17 67:15
2019 8:9,9,16,17 9:1 14:17 31:6 38:18 54:21 65:8 65:11 67:14
2020 1:4,12 3:5 45:12 46:13,16,20 47:3,7,12,15 65:14 71:15
2023 71:21
21 3:9
21202 1:14
23 39:17 42:17
25 19:18 43:3
2500 5:9 60:3
26th 7:4 70:1
27 5:10
27.1 42:16
2700 1:14 5:13
287 5:11 22:1 26:6 26:19 27:1,5,6,8,9
29 3:10
295 62:19
29th 4:11

3

30 41:9 64:3
31 14:9,12
31st 55:2
32.25 65:8
37.8 8:13
38 49:12

4

4,000 10:7
4.0 42:11,12,16,18 46:11 51:3
4.7 57:17
40 3:11
401 12:18
409 22:2 27:10
43 18:7
45 19:18 46:16 47:7,12 50:5
47.6 66:12
48,600 9:1

5

5 12:2,4 36:11 55:8
5.0 42:14,17,19 46:21 47:17 50:21
5.0. 42:12
5.5 57:18
50 11:12 20:4,5 51:6
51,600 8:19
52 5:3
52,600 8:21
53 3:12
54,900 8:18
54.5 47:18
546 26:9
55 6:2 32:15 37:3 40:6
57 12:3
58 55:7

6

60 47:2,6 48:12 55:14,18 58:17
61 47:10
63 18:8
6301 21:18,19
6302 21:18,20
6303 21:18,21
64 3:13
66 46:17
67 26:6
68 22:11 46:12 47:3 55:18
69 45:20 46:5,15 47:6

7

7.06 32:13
7.1 6:1 38:7,20 39:19
700 49:5
7100 6:4
73 45:20 46:15 47:6,11
74 45:12 46:19 47:14
76 46:14
761 14:11

79.8 56:16
8
8.7 14:17
80 5:13 46:11 47:4 49:3 50:4
81 47:8
814 14:8
9
9.7 8:14
90 48:11
95 55:8
9:00 1:12
a
a.m. 1:12 70:5
aaron 2:16 40:21
aarp 32:14 37:1,2 37:13,14 38:15,21
ability 11:6 12:18 45:14 66:7
able 4:9 27:11 49:5 65:20
absorb 68:6
absorbing 46:1 51:6 52:13
academy 12:14 21:12 30:5
acceleration 49:16
accentuate 9:7,16
accept 28:2
accepted 33:15
access 59:3
accompanying 30:3
accountability 68:18
accountable 41:18 66:12
accounts 12:20
accumulate 20:19
accumulated 59:10
achieve 15:3
acknowledge 58:1
action 18:10,10 71:13
actions 15:8
active 16:4
actual 22:8 24:1 34:9 56:2 69:8
actuarial 13:5 30:2 31:7 33:15 65:19 66:10
actuarially 38:13
actuaries 21:12,13 30:5,6
actuary 1:3 2:4,5 2:7 4:16,16,17,18 4:20 12:14 13:16 21:13 30:1 40:14 53:15,21 60:2
actuary's 7:21 8:7
adam 2:5 4:16 6:12 8:2,7 9:6 12:13
add 45:5 53:8
addition 35:17 40:19 44:3 47:21 48:6 58:8
additional 17:6 29:2,9,11 45:5 56:21 57:3 59:12 65:12
additionally 56:2
address 40:20 49:1 54:13 56:10 64:16
adequacy 59:14
adjourned 70:5
adjust 58:4
adjusting 58:7
adjustment 58:19
administration 1:1,13 2:3 14:4 15:13 26:2 30:12 31:2,6,19 36:15 40:17 43:16 54:15 56:10 60:1 61:15 64:14 65:10
advance 48:11
advanced 20:14 28:13
adverse 45:7 50:12 66:18
advisers 54:10 59:3
advisor 54:13 59:2
aetna 4:13
affairs 53:20
affect 5:9 44:1 49:3
affiliated 54:9 59:3
affordability 67:10
affordable 66:5
age 45:14,17 46:8 47:1,2,2,6,10 58:13 63:17
aged 45:12,20 46:5,12,15,19 47:3,6,11,14
agent 48:8
agents 48:6
ages 56:4
aggregate 16:13
ago 39:16,18 43:3
agree 26:21
agreed 68:3
agreement 5:17 12:9 36:20
ahead 39:6
aid 8:18,20
allow 20:18 25:19
allows 15:16 59:4
altogether 44:6
american 12:13 21:11 30:5
amount 10:18 23:18 29:6 46:8 51:14 58:8,13 59:14 67:13
amounts 56:12 66:19
analyses 33:18 34:1
analysis 31:12 51:4,8
analyze 61:21
analyzing 62:13
annapolis 12:17
anne 71:4
annual 64:3
annually 14:14 15:5 38:11 59:15 62:3
answer 7:2 13:9 30:12 38:3 60:1 68:12 69:2
answering 58:21
anticipate 27:16
anticipated 22:9 22:11 24:10 32:2 55:15,17 65:15
anticipating 39:7 39:11
anxious 67:17
anybody 9:7 19:7 21:1 29:14 69:16 69:17
anyone's 69:3
apologize 53:15 60:15
appearances 2:1
application 32:12 32:17,18 33:1,5 35:1 36:14 39:14 39:19,21
applications 30:4
applied 39:16
appreciate 7:15 8:1 9:8,10 13:10 18:20 19:9 20:9 21:1 28:13 40:19 47:19 50:8 69:6

apprised 12:12
approach 5:15,16 11:15,18 18:14 51:12
appropriate 17:3
approval 8:12,13 27:15 32:13,20
approve 36:15 52:7
approved 8:9,12 27:19 35:7,14 51:20 52:2 58:9 61:5
approves 44:12 51:14
approving 29:5
approximately 24:9 32:15 36:11 39:18 48:5 52:2 59:11
area 7:8
areas 31:5
arguments 66:10
arundel 71:4
aside 23:4,16
asked 5:18 18:17 18:17 50:3 52:5
asking 6:1 11:12 11:19 12:6 25:3
asks 10:20
assess 11:14 30:21
assessed 50:2
assessing 50:10
asset 59:14
assist 32:21
assisted 8:19,21
associate 2:6 4:18
assume 44:20
assumed 34:10,11 34:13 52:19
assuming 51:19
assumption 16:3 23:10
assumptions 15:5 15:20,21 16:12,15 16:16 20:2 22:13 22:17,20 23:20 30:7,21 31:17 34:15 38:12 39:14 43:1 59:16 62:6
assured 35:4
attained 47:1 56:4
attempting 13:2
attendees 40:20
attending 4:21 8:6
attention 7:15 9:14 67:8
augment 15:5
authority 37:17 65:9
authorized 21:14 35:19 65:13 66:19
automatically 25:12
available 7:19 16:13 17:5,9 22:4 23:5,21 35:15 36:4 41:14 46:7 48:7 49:19,20 55:3,16 56:7 59:20 66:4
average 8:13 42:15 46:13,17 47:5,8,13,16 56:14

b

b 1:15,21 71:3,17
back 15:1 20:18 67:18
background 32:10 32:10
balance 67:16,21 68:18 69:2
balancing 68:7
ball 2:16 3:11 40:13,15,21 49:8 49:15,20 51:13 52:1 53:8
baltimore 1:14 71:2
bankruptcy 65:2
based 5:8 19:4,15 23:19,21 32:7 34:15 38:18 39:15 66:11 67:12
basically 27:20
basis 8:20 28:15 28:16 31:7 34:19 40:1,3 49:19,21
bear 34:5
begun 15:7
behalf 21:15 40:15 44:20 46:4 64:13
believe 13:11 32:3 33:1 42:1,2 43:14 43:16 44:13 45:6 56:20 59:18 63:8
believed 43:1
believes 31:18 32:18 35:5 57:3
beligotti 2:16 40:14 50:20 52:16 53:5
benefit 2:13 5:7,9 5:10 9:7,11 11:19 12:2 13:4 17:8,9 21:3,9,14 25:8,9 25:12 35:20 36:5 46:7 48:3,14 58:6 58:6,11 59:4 60:9 60:12 61:9,14
benefits 17:13 25:8 30:8 32:5 34:20 36:4 44:5 45:5,18 52:12 54:19 55:6,8,9 56:6 58:4,19 61:12 63:19
best 22:12 25:2 55:16 59:5 63:14
better 12:21 18:9 56:6 59:19
beyond 10:11 61:1
big 12:1 68:5
billion 36:11 66:12
bit 38:2 51:6
blankets 18:14
block 13:18 20:1,3 22:8 26:11 27:10 28:9 29:6 59:8,9 59:13 63:5
blocks 41:16 42:7 43:3,13 44:11
board 66:17
bought 10:6
break 11:16,19 27:2 28:17,20 50:17 51:2
brian 2:18 53:18
brief 30:15 41:3
briefly 32:11,21 52:6
bring 15:4 28:3 67:18
broken 18:5
brooks 1:15,21 71:3,17
brought 28:5,19
bulk 37:6
business 13:18 18:1 20:1 32:15 33:17,18 34:2 37:18 41:2,6,9 43:4,13 44:11 49:14 56:11 59:8 59:9,13 60:5 61:10
busy 62:12
buy 9:17
bye 70:4

c

c 53:18
calculations 33:14
california 21:5
call 20:17 25:18 37:7 48:9
calling 7:12
calls 25:3
canceling 35:9
cap 15:16 27:16
capital 59:12 67:12,13
capitalized 53:11
care 1:2,11 3:4 4:3 5:2 6:14 7:8 8:10 8:16 10:13 11:6 12:19,20 13:18 14:2 16:1 17:7,12 21:8,21 23:14 29:18 30:7 36:10 40:18 41:2,9,11 41:14,16 42:7 53:9 54:8,14,18 55:5 57:19 58:8 59:9 64:17,21 65:1,21 66:5,5,7,9 67:8,10
careful 31:11
carrier 44:14
carriers 8:4 9:19 12:6,9 13:10 28:14,16 60:8 64:8 67:17
case 52:10
cases 43:8
casualty 4:14
caswel 60:10,13 60:18 61:3,9,20 62:2,4,10,21 63:2 63:4
caswell 2:18 53:14 53:21
catch 27:17 29:4 39:4
caught 9:14
cause 35:8 63:13
cbul 25:12
center 17:7 48:10
century 68:10
ceo 41:1
certain 20:7,8 22:21 31:4 36:19 41:16 42:7
certainly 18:12 37:16 61:15 62:4
certainty 45:8
certificate 38:2 40:6
certify 71:5,7,10
challenge 10:9
challenges 20:8 63:5
chance 20:21 29:14
change 45:5
changes 31:17
changing 25:8
characteristic 30:8
charged 21:17 24:3,13
charles 2:18 53:21
chief 1:3 2:4,8 4:20
choices 11:6 66:6
choose 25:10 35:10,21
citizens 30:14 54:5
city 71:2
claim 9:14 16:13 16:18,19 24:4,4,5 24:7 26:12 31:16 36:5,9 40:7 45:18 56:2 57:1
claimants 33:10
claims 9:13,16 16:13 18:16 23:12 23:18 24:10 33:10 33:21 34:6 36:12 48:20 57:18,20 67:18
clear 61:19
clearer 15:18
clearly 7:11 31:19
clicking 7:7
clicks 7:9
clients 58:17
climb 27:11
close 51:1,2
closed 26:11
closer 45:17
closing 35:4 36:6
cmfg 2:12 4:5 5:3 13:11,17 14:5,21
colleague 4:15,17 8:2 53:21 60:2
collect 33:11 34:20
collected 23:12,15
colloquial 38:2
combination 24:5 24:14 55:20
combined 34:14 39:21
combining 51:5
come 9:21 13:11 14:19 63:17
comes 9:17 68:19
comfortable 52:13
coming 20:18
comment 53:9
comments 6:8 8:2 9:20 11:11 30:15 54:6 68:16 69:4 69:16,20
commission 66:21 71:20
commissioner 2:6 4:10,18,20 14:1 17:14 54:2
commissioners 64:15
committed 17:1 41:12
common 17:5
communication 25:15
community 53:16 53:19
companies 4:7 8:10,12 9:12 11:12,18,19 24:13 49:13 67:7,12 68:9,12
company 2:11,12 2:13,17,19 5:6,12 6:6 10:17 11:15 16:7 19:3,14 21:10,14,16 24:15 28:1,2 30:1 41:4,5 41:17 52:14 53:10 54:10,16 55:4 56:9,19 57:2,5,7 57:17 58:10 59:7 59:12 62:11,18 66:12 67:21 68:1 68:6,7
company's 16:6 59:9 66:11
compare 8:16
compared 9:3
compatible 27:18
compelling 66:10
complaints 6:15
complete 31:7
completing 33:18
complicated 6:10
comprehensive 21:20 41:13 54:11 54:18
computational 59:4
concentrated 11:21
concern 10:13 44:7

concerning 12:3
concerns 64:16
concluded 38:16
concludes 36:16 38:14
condition 39:10
connection 25:16
consequences 11:9 50:11 66:18
consider 10:21 11:9 21:6 35:8,13 66:18
consideration 9:4 25:13 41:21
considering 53:1 69:7
consistent 58:11
consistently 16:11
constitute 31:8
consulting 21:13
consumers 6:8
contact 6:12 58:21 69:13
contacting 17:7 48:9
contingent 17:8 46:6 58:10
continuance 24:8 24:9
continue 10:11 16:17 20:19 44:18 53:6 57:2,21
continued 26:1 66:14
continues 17:12
continuing 23:6
contract 37:21
contributed 24:12
conversation 28:20 67:18
coon 4:10
cooney 2:6 4:18
correct 13:13 17:19 60:6
correction 27:5
correspondence 28:4
corresponds 28:17
cost 8:16,18,19,20 9:2 10:11 11:8 16:18 17:13 66:9 66:11
costs 8:15 16:14 16:20 23:5 24:4,4 24:10 65:19 66:5
counsel 71:10,11
country 63:7
county 71:4
couple 10:2,2,4 52:18 61:6 63:7
course 58:1
court 7:9
cover 68:2
coverage 5:11 9:17 21:19,20,21 25:7,10,20 30:8 35:9,11,13,15 36:2,7 48:15 58:8 63:9,12 66:3
covers 14:7,10 27:8
craig 6:16
creates 23:6
credible 15:7 16:8
cumulative 19:4 19:14 20:3 56:12 56:15 58:12 62:18
curious 49:14
current 14:2,18 20:1 22:12,12 34:15,17,19 35:16 39:15,21 43:5 44:3 45:9 48:5 56:7 57:19
currently 14:12 21:16 23:21 27:13 30:11 40:7 54:14 54:16 57:4 58:5 59:20 60:4
curve 16:18
customer 17:7 25:18 58:20 59:2
customers 30:14
customized 48:3 59:4

d

d.c. 40:4
daily 25:8 58:6
damage 11:14
data 8:17 16:9 24:1 55:16
date 48:13,19 55:11 58:13,17
dave 4:18
david 2:6
day 29:15 71:15
days 48:11,12 58:17
decades 23:17 53:2
december 14:9,11 55:2
decide 48:16
decision 14:18 17:3 31:10 37:15 38:5 41:15,17 44:1,20 45:9
decline 24:2 26:11
decrease 66:4
dedicated 25:18 48:9 58:20
defined 33:9
demonstrates 31:20 32:19 33:3
department 35:19 54:2
depending 5:7,10 61:4,13
depth 31:11 59:15 62:5
deputy 4:10
description 30:16
designed 22:10 48:4 55:10
despite 42:21
detail 28:13
details 51:18
deteriorate 44:19 57:2
determine 15:20 34:3 44:4
determined 38:19 42:6
developed 22:16 42:1 55:16
developmental 11:5
dialogue 6:9 11:11 26:1 70:3
die 23:3
difference 12:1
different 11:17,17 18:9,10 22:19 60:12
difficult 41:17 45:15 47:20 58:2
difficulties 14:19
digits 64:5
directly 10:16 34:5 48:8
director 13:16
disabilities 11:5
disclosure 40:2
discontinue 23:2
discriminatory 32:5
discuss 14:2 18:11 18:13 21:8 25:19 37:16 38:4 42:3 48:9
discussing 18:9 26:20 27:2 49:3 60:12

discussion 28:6
discussions 20:16 36:18
distributable 59:10
distributed 54:9
distribution 18:15
dividends 66:13 67:15
documents 30:3
doing 12:16 18:14 68:16 69:7
dollar 36:3
dollars 13:5
dozen 52:2
drive 16:13
drives 16:20
due 4:20 55:20 66:9
dwindled 26:15

e

e 53:18 69:14
earlier 52:5
early 21:5 23:4 29:16
earned 23:18 24:1 33:11
earnestly 10:20
earning 59:10
ears 6:16
economic 24:2
edge 65:1
educate 12:21
effect 34:3 55:14 65:11
effective 14:16,17 48:13 55:11 58:17
effort 57:9 70:1
efforts 12:20
either 23:1 48:8 48:13
elect 48:13
elects 45:4
eliminate 44:7
elimination 58:7
emerged 31:15 39:20
emerges 16:17
emerging 56:20 59:15
employee 71:11
endorsement 35:18,19 45:2
engage 37:14
engaged 37:13
engaging 20:10
enjoying 4:11
enrollment 26:10 60:9
ensure 45:16
entering 36:10
entertaining 18:19
entire 20:1
equal 48:18
especially 11:7 36:9 45:17 53:1 56:3 63:16 66:8
estimate 22:13 26:18
estimated 46:13 46:17 47:4,8,13
evaluate 30:20
evaluating 50:7
event 44:12
everybody 8:6
evolving 39:13
exactly 11:16,21 50:21
examine 38:9
example 44:2
exceeds 34:17
excerpt 13:7
excerpts 10:1
excess 23:4 32:7 33:6 35:2
excessive 32:4
excluded 45:13 46:2
excuse 19:6
exempt 12:17
expect 15:14 26:10 28:4 38:17 40:1 43:12 46:4 60:16
expectation 38:7 49:6
expectations 24:20
expected 15:19,21 16:21 18:15 22:14 23:5,19 24:9 32:1 43:4 56:2,3 57:13 57:21
expense 11:19
experience 15:6,6 16:7,14,17 18:5,8 20:18 22:8 30:6 31:12,16,21 34:3 34:14 35:9 38:9 38:11 39:20 42:9 43:3 44:18 45:7 50:12 52:10 56:3 59:16 61:21 63:15
experiences 56:20 57:1
expires 71:20
explain 6:7 32:11
explained 34:8
expound 31:4
express 30:14 54:6 66:21
extending 35:17
extent 16:7
extreme 62:5
extremely 53:11

f

face 35:11 68:17
faced 17:2,10 44:2
facility 8:19,21 21:19
fact 34:17 40:2 43:9
fairclough 3:13 4:6 64:10,12 67:3 69:4,5,6
fairly 61:13 64:1,4
families 11:3 41:13 65:4 69:9
family 4:21 11:8 65:2 66:8
far 4:12 19:17,18 26:6 33:5 34:16 51:20 52:3
father 64:20
favorable 22:9
features 18:16
february 1:4,12 3:5 7:4 56:18 65:8
feel 17:11 21:6 36:6 52:13
fellow 21:12 30:4
file 21:15 24:15 31:10 38:17 60:15 60:16
filed 40:2 55:10 60:4
filing 20:4 21:9 26:7,21 30:11,15 31:1,5,6,19 32:10 33:3 36:15,20 37:3,5 39:15 51:19 60:20
filings 5:8 9:5 10:16 14:3 17:18 31:13 49:2 54:7 54:14,20 55:3 56:18 67:4 69:14
finally 17:1
financial 11:13,14 11:14 13:4 25:20 26:13 41:7 50:10 52:15 54:10,12,12

59:1,3
financially 10:9 50:19
find 11:15 67:15 68:12,18
findings 34:1
first 4:3,8,9 8:2 13:18 26:8 27:4 31:18 43:19 44:13 54:1,8 55:21
fitting 16:8
five 4:7 12:11 27:1 27:20 50:5 54:13 62:1
fixed 10:4,14,18 45:15 65:5
focus 11:20
follow 51:17 52:1 62:8
following 8:15 48:12 65:13
force 14:9,11 22:2 31:16 33:16 34:2 45:17
forecast 24:11
forfeiture 35:18 35:20 46:7
forget 7:7
form 5:7 21:18,19 32:14 38:15 54:4 54:19 55:2 56:13 59:13 61:4 62:19 63:18
forms 18:7 22:4 22:16 37:6 38:16 39:1 50:14 56:5 56:18 57:14
forth 58:12
fortunately 25:5
forum 7:2 30:13
forward 26:1 50:8 70:3
foster 6:9
found 13:8 69:3
four 49:13 61:14 64:21
fourth 62:9
frame 55:4
fray 11:8 66:8
free 21:6 58:20
frequency 33:21
frequent 57:8
front 50:21 51:10
full 11:12 25:10 27:19 29:6 31:7 40:2 45:1 51:14
fully 15:7
funds 66:4
further 38:16 71:7 71:10
future 15:10 23:19 27:11 29:3 33:12 34:2,15 43:12,21 44:4,7,17,19 45:4 46:1 52:9 57:1 66:4

g

g 21:11
gap 52:19 62:4
generally 34:12 63:6
getting 63:16
give 9:21 15:18 20:3 45:7 60:2
given 41:21 48:10 50:8 56:14
glad 4:9,14
go 8:4 13:5 24:5 26:11 39:6 61:16 62:5 67:5
goal 6:5 19:18 44:6 54:10
goes 36:5
going 22:19 65:20 70:3
good 4:2,4 8:5 13:15,20 21:7 29:17 40:15 53:17 63:12 67:14
graded 50:4,5
grand 26:19
granted 39:17 42:20 45:1
gravitas 67:5
gravity 69:8
great 13:14,21 19:11
greater 23:7 30:18
group 5:21 12:14 32:14 37:8,20,21 38:3
grow 16:19 53:6 57:21
grown 11:5
guarantee 37:12 44:11,14 47:21 51:11,21
guaranteed 27:20
guaranteeing 5:17
guarantees 45:3
guess 40:10 52:13
guy 4:11

h

h 53:18
half 61:11 68:10
hand 71:14
handout 6:12
hanover 4:13
happened 22:20 25:4
happening 12:13
happens 23:3
happy 17:16 18:11 49:1 51:7 59:21 61:15
hard 7:14
hardship 68:7,8
headquartered 5:4
health 4:19 8:18 8:20 10:19 12:19 21:21 66:5,15,15
hear 7:14 13:19 19:7
heard 10:15 12:7
hearing 1:2,11 3:4 4:3 6:5 7:6 17:15 32:13 40:18 54:4 66:20 69:18,19,21 70:5
height 26:9
held 1:12 65:17
help 11:8 15:10 25:5 43:11,17 48:1 57:10 65:3 66:8
helpful 7:17 32:11 42:4
helping 41:12
helps 7:19 10:15 51:9
hiatus 12:11 27:1 61:1
high 23:11 24:1 25:2 64:1
higher 16:14,14 24:11 25:11 26:16 28:18 34:9,12 41:7 43:5,7,9 62:18
highlight 31:4
highlighted 58:15
historically 27:15 57:7
hit 26:13
hold 7:13 9:9,9
holders 22:2 38:2 40:6
holding 56:1 61:7 66:20
home 8:18,20 9:2 21:21 54:17 58:8
hope 30:18
hoping 15:3

horrific 65:2
humbly 59:17
hundred 19:16 22:14 26:14 62:18 68:3
husband 64:13,18
husband's 65:10
hybrid 12:21 49:14,16,18

i

idea 37:1
immediately 53:3
impact 10:16 11:14 14:8,11 22:1 24:17,18 25:6 30:17 41:19 42:2 43:17,19 48:2 50:10 54:21 58:4 69:8
impacted 32:16 48:10
impacts 6:4 57:10
implement 24:15 65:9
implemented 14:14 56:11,17 65:13
implications 50:11
implies 50:19
importance 66:21
important 4:21 6:9 14:21 40:20 43:9 45:6,21 48:15 54:3
importantly 29:20
improve 25:15 56:20
improved 17:4
incentives 12:17
incidence 16:19 24:6,8 64:4
include 30:16 58:5
including 11:13 30:14 31:16 35:12 40:3 50:16 54:5
inclusion 33:13
income 10:5,14,19 11:13 28:16,19 45:15 50:14,16 65:5 67:16,19,20 68:4
increase 5:3 6:1,7 8:13 10:5,6,8,9,10 11:10 14:16,17 16:20 17:4 19:4,4 19:14 20:2,13 21:9,15,17 22:7 22:12,15 23:13 24:17,20 25:2,17 26:3,15,18 27:12 27:14,18,19 28:11 29:3,5,11 30:19 31:1,8,11,14,20 32:16,19 33:2,5 34:16 35:5,8,14 36:1 38:13 39:8 39:11,17 41:15,20 42:2,5,6,10,16 43:7,10,11,17,20 44:3,12,17 45:1,3 45:9,13,20 46:9 46:10,11,14,16,17 46:19 47:4,5,7,9 47:12,13,15,16,19 48:2,12,17 50:4 51:1 52:2 54:14 54:17,20 55:20 56:12,14,15,17 57:3,12 58:2,5,13 58:16,18 61:17 62:19 64:4 65:9,9 65:18 66:11
increased 10:17 44:5 45:14 66:1
increases 5:4,13 5:18 8:10 12:10 14:13,15,20 15:4 15:9,11,15,17,18 16:18,20 17:2,10 17:11 18:17 19:18 20:12 24:16 26:6 29:9 30:18 34:21 35:12 36:21 37:12 38:17 40:19 42:18 42:20 44:1,4,7 49:6,9 50:6 56:5 56:11,19,21 57:4 57:6,8,9 58:9 59:17,18 61:1,5 63:7,12,19,21,21 64:16 65:12,15 66:14,18
increasingly 45:15
incremental 15:16
incurred 33:10 53:2 57:18 59:8
index 3:1
indicate 33:13
indication 15:18
individual 5:2,14 27:7 59:1
industry 15:6 16:1 16:9 24:14
inflation 5:11 11:20,20 12:2,3,4 18:7 25:9 55:9 61:11
information 6:12 31:14 39:15 59:1 69:15
informational 3:4
informed 45:8
inhome 65:1
inhospitable 10:18
initial 43:8
initially 32:1
initiate 16:13
initiated 27:12 28:10
innovation 12:14
insufficiency 24:12
insufficient 24:3
insurance 1:1,13 2:3,12,15,16,19 5:3,6,12 14:3 15:13 21:9,14 26:2 30:1,7,10,11 32:8 33:7 35:6 36:10 40:16,18 41:2,4,5,6,9,11,16 41:17 42:8 43:16 56:10 64:14 65:10
insured 27:8 28:1 36:5 47:14
insureds 32:15 46:12,15,19 47:2 47:5,10
insurer 41:7
intend 15:2
intended 43:10 65:12
intending 50:17
intent 49:8
interest 5:19 16:3 16:6 23:14,18,19 23:20,21 24:1 33:14 57:13,16 63:14
interested 6:8,13 18:18 29:19 71:13
interesting 20:16
introduce 4:8,9
invested 23:16
investment 11:13 28:19 50:16 67:19 68:4
investments 23:19
investors 41:19
invite 25:17
involved 37:14
iowa 5:5
ip 37:8

iras 12:18
issue 6:10 47:1,2,6 47:10 58:13,13 67:9
issued 26:7,8 31:18 32:14 37:8 42:13,14
issues 6:10
items 24:11 55:21

j

january 4:11 45:12 46:13,15,20 47:3,7,11,14
jay 4:10
jeff 2:7,16 4:15 6:13 19:1 29:1 39:6 62:16
jeff's 51:17
jeopardy 52:15
ji 2:7 4:15 19:1,12 19:20 29:1,7,13 39:4,7,10 51:11 51:16 62:16 63:1 63:3 64:6
john 2:12 13:11 13:16
joined 12:13
joint 27:7,7
jonathan 2:15 29:21
jurisdiction 40:3
jurisdictions 40:3
justifiable 38:13 38:13
justified 32:19 35:6 57:5

k

k 12:18
keep 7:3,10 9:4 25:7,10 31:3 33:19 35:16 44:6 45:16 48:4 63:16
key 15:21
kind 12:3,8 18:15 27:1 37:11 50:10 51:4 69:1
know 7:13 10:14 12:1,6,21 15:14 15:14 18:13 20:6 20:7 28:15 29:2 36:19 38:10 40:6 49:11 50:3 52:8 61:10 63:12,13,21 67:3,13
knowledgeable 12:15
kwei 6:15

l

lapse 16:2,10 17:8 22:21 23:7 48:15 63:13
lapses 23:3 52:11 52:17
large 26:17 52:20 63:12
larger 57:4 63:18
largest 41:4,5,10
lasted 9:14
late 10:4 22:16 49:12
law 32:9 33:7
laws 35:6
lawyers 50:2
lb 21:18,18,18,19 21:20,21
leave 5:19
leaves 10:9
legislators 67:7
length 24:7
lengthening 58:7
letter 17:4 58:16 65:7
letters 25:3
level 13:3 25:9,11 27:18 34:21 35:16
levels 34:6,12
life 2:12,13,15,16 2:18 4:13,18 5:6 5:12,15 14:5,21 15:1 16:4 21:9,14 24:21 26:12 30:1 40:14,16 41:3,4,5 41:5,6,7,8,18 44:17,19 45:11,19 45:21 48:6 50:13 51:6 54:11 55:7
life's 13:17 41:1 52:21 53:6
lifetime 16:21 22:11,13 26:14 28:16 29:8 32:7 33:12 34:4,6,18 43:5,7 44:10,14 47:21 51:7,11 57:13,15 61:12 63:19
light 31:14
lightly 14:19
limiting 57:6
limits 42:2
linc 22:6
lincoln 2:13 5:9 21:3,9,14
lines 28:21
links 7:8
listen 6:8
little 12:5 51:6
live 33:20 53:20
living 8:19,21 10:4 10:14 56:1
long 1:2,11 3:4 4:3 5:2 7:8 8:10 12:19 12:20 13:18 14:2 16:1 17:12 21:8 23:14 29:18 30:7 30:10 33:20 36:10 40:18 41:1,9,11 41:14,16 42:7 53:9 54:8,11,13 54:18 55:5 56:7 57:19 59:9,13 64:17,21 65:21 67:8
longer 24:10 56:1 56:2
look 9:4 26:1 64:3 67:11,16
looked 18:5 19:21 27:9 67:12
looking 12:14 13:9 67:11 68:15
looks 29:8 50:13 51:5 62:17
loss 15:1,1,21 16:21 19:5,16 20:4 22:7,11,13 26:14 28:15,17 29:8 32:7 33:4,6,8 33:8,13 34:4,16 34:18 35:1 39:12 43:5,6,7 55:13,15 57:13,15,19 66:11 68:2
losses 43:11,12 46:1,4 50:9 51:3,7 52:14,20 53:2 56:11 59:7,10 68:5,6
lot 18:8 67:4 68:12
louisa 1:15,21 71:3,17
low 64:4
lower 16:11,16 23:9 24:2 34:11 56:6
ltc 12:15,18 42:11 42:11,12,14,16,17 42:18,19 46:11,21 47:17
ltci 24:13

m

mail 69:14
maine 13:1,2
maintain 35:11 36:1
major 22:19
majority 23:15 35:10 37:9
making 17:7 44:1 54:2
manage 17:5
manageable 15:16 53:1
management 13:17 33:16
march 71:15
market 5:21 36:10 41:14 49:12
marketplace 56:7 59:20
martin 4:6
mary 6:15
maryland 1:1,11 1:13,14 2:3 4:6 5:9 6:4 8:16,17 9:2,5 10:3 11:4 14:3,13 15:7 17:19 18:1 19:17 22:5 25:13 26:2 27:5,10 29:5 30:11,13 32:8,20 33:4,7 34:18 35:2 37:3,7 40:6,16 42:12,16 43:16 44:12 49:4 51:12 54:5,17 55:3,12 56:9,15 57:6,14 57:19 58:12 60:4 60:5,17 62:21 63:1 64:14 65:5 65:17 66:16 68:1 68:2,5 71:1,4
maryland's 35:6
marylanders 5:5 5:11,14 6:2 8:11 12:4
materially 32:1 43:4 44:1
matter 4:21
maximum 25:8
mcintire 1:15,21 71:3,17
mean 27:13
meaning 55:12
meaningfully 66:6
means 11:16,16 13:8 34:19 36:2 44:15
median 8:17,18 9:2
meet 20:12 22:6 25:20 59:5
meeting 4:11 48:8
meets 32:20
member 21:11 30:5
members 13:3,6 17:18,19 18:8 26:7,10,11,15,19 27:1 29:19 32:14 49:4,5
membership 26:9
memoranda 30:2
memorandum 34:8
mental 10:20 66:15
mention 5:16
mentioned 19:3 19:13 29:2 32:18 36:21 43:14 46:18 52:17 68:15
met 9:20
metlife 5:21 29:16 29:18,20 30:20 31:18 32:13,18 33:17 35:5 36:8 36:11 64:17,18 65:7,12 66:1,12 67:11
metlife's 30:10 31:5,8,10 35:9 36:14
metropolitan 2:15 30:1
mia 7:6 8:8,9 29:18
middle 20:12
million 9:15 57:17 57:18 59:11,13 67:14
mind 7:10 31:3 68:20
mine 4:15,17
minimize 25:6 66:19
minimum 15:1 22:7 32:8 33:6 34:17 35:3 55:13
minnesota 5:8
minus 36:3
miscalculations 65:20
missed 60:15
mitigate 15:10 30:17 43:12,17 48:2 57:10 58:4
modeling 26:8 50:8
modest 10:18 11:3 65:6
modify 35:15
moment 19:6
money 33:14
monies 33:10,11
monitors 33:17
month 47:5,8,13
monthly 46:14,17
moratorium 20:17 61:1
morbidities 63:17
morbidity 16:2,14 33:21 34:12 52:19 55:17
morning 4:2 8:5 13:15 21:7 29:17 38:3 40:15 53:17
mortality 16:1,10 33:20 34:10
mother 65:1
moved 28:14
muehlberger 6:15
multiple 35:14
multiplied 24:6
music 7:14
mute 7:13 9:9 19:8
mutual 41:5,17

n

n 21:11,11
name 7:16 8:6 13:16 21:10 22:6 29:20 40:21 53:18
named 71:5
nation's 41:4
national 8:17,20 9:3,12
nationally 12:13 12:17 69:3
nationwide 27:14 42:10 43:15 48:7 51:12,13,19 55:5 60:8 63:3,4,19
near 15:4 20:3
nebraska 5:9
necessary 23:13 30:19 35:5 42:7 57:3
need 6:20,21 10:12 12:5 24:15 29:10 38:16 44:4 45:8 60:16 61:8
needed 15:4 17:12 23:17 26:16 31:20 38:8,19 49:7

needing 40:1
needs 25:21 59:6 68:14
net 28:16 50:14 67:16
network 54:9
never 44:16
new 2:16 4:10 5:12,12,12,15 6:1 26:8 27:12,14 40:14,15 41:1,3,5 41:8,18 44:17,19 45:11,19,21 48:6 48:13 51:5 52:21 53:5
non 35:18,20 46:7
noncancelable 52:8
nonforfeiture 17:9 58:11
nonlife 62:19
nonlifetime 54:19
notarial 71:14
notary 1:15 71:3 71:18
note 14:21 43:9 45:21
notice 20:14 25:1 28:14 48:11 60:8
noticed 18:6
notification 58:16
november 9:20 71:21
number 13:6 23:8 26:14,18 27:9 36:19 37:4 58:20 60:21
numbers 50:20
numerically 26:15
nursing 9:2 54:17

o

o 21:11,11
objections 19:3,13 62:17
occurred 57:20
occurs 10:12,13
october 31:6 38:14,18 54:21 55:11
odenton 10:2
offer 35:14 44:14 49:14,15 55:8 58:3,10 68:19
offered 55:5
offering 41:13
offers 66:2
office 1:3 4:16,17 7:21 8:7
officer 53:15
official 31:9
offset 65:19
okay 27:4 29:7,13 40:9,11 52:4 63:1 69:18
older 16:19 41:16 42:7 45:12 46:5 46:19 47:11,14 51:2 56:3
once 26:21 36:20 62:1
ones 60:2
open 6:16 7:1,3 18:4,9,12 27:2 60:11 69:20,21
openness 26:20 37:11 38:8
opinion 32:2
opportunity 8:1 14:2 17:15 21:8 30:9 36:13 40:17 40:19 48:21 54:1 54:3 59:21 64:15 69:10
option 17:9 48:8 48:14
options 17:5,6 25:5,16,19 35:15 48:4,9 58:3,5,15 59:5 61:16 66:2
order 6:21 25:15 26:12
organization 7:17
original 15:1 16:11,15,16 22:10 24:12 39:19,21 43:6 55:21 56:16
originally 22:9,16 24:11 37:8 43:2 55:15
outcome 71:13
outlined 48:1
outside 41:19
overall 15:19 16:10 34:8 47:16 57:15
oversight 30:2
overview 41:3 42:4
owns 44:15

p

p 53:18
page 3:7 67:5
paid 9:13 33:10 36:2,3,11 48:18 48:18,20 67:15
pain 63:10
painful 61:11,13
parameters 34:5
parentheses 10:20
part 9:19 33:16 59:15 62:4
participate 17:15 40:17 54:3
particular 37:5
parties 6:9 71:11 71:12
paul 1:13
pay 12:19 23:12 23:18 25:11 44:5 45:14 48:13 65:18 65:20 66:1,4
paying 7:15 23:1,8 23:11 26:12 34:19 35:21
payout 9:15
penalty 12:19
pending 14:3 54:14
pensions 11:2
people 6:20 9:16 9:18 10:16 22:21 23:11 24:5 26:18 55:21 63:10 66:14 66:16 69:9,9,13
percent 19:16 22:14 62:18 68:3
percentage 22:21
performance 28:9 33:17 34:2
performed 52:9
period 5:7,10 11:20 20:18 25:9 52:20 53:2 58:6,7 60:9
periodic 33:18
permitted 35:6
persistency 31:16 33:18 34:9 55:17
personalized 25:19
perspective 11:18
peters 2:8
phone 2:12 4:4 9:8 9:8 13:12 19:7 21:4 64:8 69:16 70:4
phones 7:13
physical 10:19 66:15
pick 6:17 60:21
pieces 18:6
pietsch 2:18 3:12 53:15,17,18 60:6
piqued 5:19

place 1:14 64:21 71:6,6
plan 15:19 27:13 49:9
planning 54:12
plans 12:21
play 63:17
please 6:18 7:12 7:16 19:8 31:3 35:4 64:9 68:21 69:13,16
point 8:8 13:3 25:14 49:5 56:4
pointed 8:6
points 10:1
policies 10:10 14:7 14:10,13 18:6 22:2 24:18 26:6 27:6,6,7,7,8 31:12 33:4,19 34:7,10 35:2 36:2 37:1,2,7 42:9 44:8,9,18 45:16 46:2 54:9 54:18,19 55:5,6,6 55:7,8,10 56:1 57:19 59:18,19 60:4 61:12 63:11 63:19 64:2 65:21
policy 21:18,19 22:2,4,15 23:1,2,3 23:7 24:3,21 25:20 26:7,13 27:8 31:15,17,21 32:14 37:6,8 38:3 38:15,16 39:1 42:10,11,12,13,14 44:6,15,18 45:2,5 46:12,14,17,21 47:17 48:3,17,18 48:19 55:2 56:5 56:13,18 57:14 58:14 61:4 63:8 64:18,19,21 65:10 65:18
policy's 59:1
policyholder 15:8 16:2,5 17:13 37:21
policyholders 14:8,11,20 15:13 16:12,19 17:2,10 17:21 23:6,8,10 24:18 25:1,6,13 25:16,17 27:5,9 27:10 29:19,20 33:12,19,20 35:8 35:10,12,21 36:9 38:1 52:12 54:6 54:11 55:1 56:15 57:10,14 58:2,3 58:10 59:5 63:9 63:13 64:17 66:13
policyowner 44:2 44:15 45:4 48:16
policyowners 41:12,18,20 42:3 43:18,20 44:2,8 44:21 45:2,7,12 45:13,16,20 46:3 46:5,8 47:20 48:3 48:7,10,15
population 27:14
portfolio 16:2,6
portion 43:12
portions 33:3
position 68:6
possibility 24:19 43:21
possible 58:19 67:8
potential 44:3 45:18
potentially 53:6
practice 33:15
prefund 23:5
prem 6:16
premier 42:11,14 42:17,19 46:21 47:17
premium 10:5 13:4 17:6 21:17 25:11 26:12 32:3 33:11 34:21 36:3 40:18 41:15,20 42:5,6,15,18,20 43:10,17,20 44:3 44:4,5,7,11,12,16 45:3,9,13,19 46:3 46:9,10 47:19,21 48:2,11,13,17 49:19,21,21 52:8 54:14 55:20 56:16 57:18 58:9,16,18
premiums 10:7,18 22:1 23:1,4,9,9,12 23:14,16 24:3,13 24:19,20 25:7 32:6 34:6 35:16 35:17,21 43:21 45:14 48:4,5,18 55:1 56:6 57:21 58:18 59:5 65:19 65:21 66:1,2
prepared 36:16
present 30:9 50:14 69:10
presentation 30:16 31:4
presents 31:7
president 29:21 41:1 53:16,19,21
pressing 69:1
pretty 51:1 61:11
previously 32:17 35:18 36:3 43:14 46:18
price 23:20
priced 18:15 22:6 34:10 43:2 55:13 55:15
pricing 16:11,15 16:16 34:11,13 43:6,8 55:21
prior 14:15 42:8 55:11
private 9:1
proactively 17:4
problem 68:17
problems 11:21 67:10
procedural 6:11
proceed 7:14
proceedings 4:1 71:5,7,9
process 26:3 30:20 38:14 62:5
product 13:17 14:6,7,7,9,16 15:3 16:17 17:12,20,21 18:14,16 22:6,10 23:21 42:17,17,18 42:19 50:21 51:3 67:20 68:10
products 14:15 16:15 18:2 20:5 42:21 43:2 49:14 49:16,16,17,18 56:7
professional 32:2
profits 66:16
proforma 11:13
projected 34:3,5 34:18 42:8 46:1
projecting 34:2
projection 40:1
projections 34:15
proposal 37:17 42:1,3 50:7,11
proposals 12:16 43:15 48:1
proposed 30:17 32:3,6 42:5 44:10 45:11,19 46:6 47:21 51:13
proposing 5:6,13 31:14

protect 41:12
protection 25:9
proud 36:7
provide 11:12 17:5,12 30:18 35:20 42:4 45:2 51:18 55:6 56:6 58:19 63:12 69:15
provided 25:12 32:5 36:6,8 59:12 59:19
provides 21:19,20 21:21
providing 30:13 41:3 48:3 54:4
public 1:15 3:4 7:3 29:19 53:20 69:20 71:3,18
pull 67:5
purchase 22:5 55:3
pursues 57:7
put 5:20 7:13 9:9 19:8 50:7,17 68:17 70:2
putting 52:14

q

qualifiers 33:13
quantify 50:13
quarter 62:9,10 62:11,12
quarterly 4:3 69:19
question 7:1 17:17 19:1,12 26:10,20 27:21 38:4 40:5 51:18 52:5 60:7
questions 7:2 17:16 26:3 28:21 30:12 49:1 60:1 69:17
quick 7:8
quite 22:18
quoted 17:6
quotes 67:6

r

raise 52:8
range 50:6 56:13
ranged 55:17
rate 5:18 6:7 8:9 8:13 9:5 10:10 11:9 14:2,5,13,15 14:18,20 15:2,3,9 15:10,15,16,18 16:3,4 17:2,3,10 17:11 18:10,10,17 19:4,14 20:2 21:8 21:15,17,17 22:12 22:15 23:13,21 24:15,17 25:17 26:2 27:12,17,19 28:8,11 29:3,5,9 29:11 30:10 31:8 31:10,19 32:16 33:6 34:16,19,21 35:11,14 36:1 38:13,16 39:8,11 39:17 49:9 51:1 51:11,21 52:2 54:14,17 55:12,19 56:5,11,14,17,19 56:21 57:4,6,8,9 57:12 58:1,4,9 59:17 61:1 62:19 64:16 66:14,18
rates 12:9 16:2,7 16:10 22:21 23:14 23:19,20 24:6,8,8 24:9 25:1 33:19 33:20,21 34:9,10 52:7,8
rating 41:8
ratio 19:5,16 20:4 22:7,11,13 26:14 28:15,17 29:8 32:7 33:4,6,8,9,13 34:4,16 35:1 39:12 43:5,6 55:13 57:15,19,20 66:11,11 68:2
rationale 22:15
ratios 15:1,2,4,21 16:21 33:8 34:18 43:7 55:15 57:13
reach 5:17 10:12 12:9 27:18 36:20
react 7:5
read 10:1 68:16
real 66:14 68:7 69:9,10
reality 22:18
realized 63:15
really 4:14 7:14 7:15 9:17
reason 34:4 45:18 55:19
reasonable 17:13 22:17 32:6 33:2 43:1 68:11
reasons 6:7
recalculate 38:12
recall 39:16
receive 25:1 48:17 66:13
received 14:15,16 36:4 57:17 65:7,8
recognize 43:19
recommend 48:14
record 7:3,20 71:9
recorded 71:8
recoup 43:11 50:9
recurring 49:21
redmer 14:1 17:14
reduce 11:6 25:6 44:5 66:2,6
reduced 45:19 46:3
reducing 58:5 66:2
reduction 48:4,14
references 33:12
referred 23:7 24:6 24:7
referring 19:2 33:2
regarding 64:16
regardless 46:8 58:12
regulations 35:7
regulatory 16:3 17:8
reinsurance 53:14
reinsure 27:11
reinsured 27:13
reinsurer 28:4,8,9
related 71:12
relating 31:5,12 31:21
relation 32:6
relations 53:16,19
relationship 54:12
relative 52:21 55:21
relatively 13:4 26:17
relay 49:6
relays 52:5
released 15:8
relentless 12:8
relies 16:3
rely 16:6
remain 24:21 32:1 33:5 37:7 41:11 43:7
remainder 39:18
remaining 23:9 49:4
remarks 36:16
remind 7:7 10:15 69:18
reminder 37:21
repeat 19:10
reply 36:18

reported 1:21
reporter 7:10
represent 53:9
representative 4:5 58:21 59:2
representatives 2:11 6:6 29:18
representing 13:17
request 14:18 22:1 27:19 28:11 31:9 36:15 41:15 46:2 47:1 49:9 51:15 54:21 65:12,15
requested 8:11,12 15:17 22:8,12 27:15 29:6 31:8 32:19 33:1,5 35:1 35:5 42:10,15,21 43:6,10 44:13 46:3,10 47:17 55:19 56:5,21 57:12 58:9 64:16 66:10,19
requesting 5:3,10 14:12 21:16 27:17 46:11,16,18 47:4 47:7,12,15 54:16 54:20
requests 14:5 29:12 45:10
required 30:21 33:6,15
requirement 32:8 35:3 55:14 58:11
requirements 22:7 32:20 34:17 55:12
resembling 61:16
reserves 15:8 16:5 23:5,16 53:9,10 59:14
reset 38:12
residents 65:17
respect 45:9 57:5 62:12 66:9
respectfully 36:14
responding 11:10 25:3
response 19:2,12 36:1 48:17 62:17
responsibility 30:2
responsible 65:18
rest 52:14
restate 7:16
result 10:11 15:8 34:14 42:8,9
resulted 24:14
resulting 24:10 66:10
results 16:12
retired 10:4,14 11:2 65:5
return 68:11
revenue 26:17
review 15:5 32:17 32:21 59:15
reviewed 15:20 59:14
reviewing 9:4
revisions 33:7
revisit 38:11
richer 55:6
right 13:12 20:15 28:7 37:15 60:10 67:11,14,16,21 69:2,2
rising 66:5
risk 15:3 44:20 67:12 68:11
risks 30:7,21 68:9
risky 68:10
riversource 2:18 5:6,8 53:14,20
riversource's 54:8
room 9:1 69:17
rough 37:1
round 27:12 39:7 39:11
rounds 27:17 29:11
rsvp 6:20,21
run 25:2

s

s 21:11 53:18
sample 58:18
satisfy 55:13
savings 11:3 12:20 65:6
saw 9:11 26:8 28:12
saying 65:8
scared 63:11
scenario 20:11,20 50:4,5 60:19,20 61:2,2,3
scenarios 52:10
schedules 32:4
scope 32:11
seal 71:14
second 45:11 52:4
security 65:6
see 12:3 16:18 26:5 28:1 52:12 63:17 67:19,20
seek 29:2 62:18
seeking 19:3,14 32:13 63:18
seen 20:1
select 42:11,11,12 42:14,16,17,18,19 46:11,21 47:17
selected 66:3
selling 49:13
senior 4:16,17 22:6 29:21 40:13 40:21 53:16,19
seniors 4:6 6:4 9:21 12:7 68:2
sense 52:16 61:8
sensitivities 52:18
sensitivity 52:9
sent 58:16
series 5:4 14:12 15:17 20:11 42:10 42:11,12,13,14 44:9,16 46:12 47:1,17
seriously 11:9 66:17
serve 15:9
service 25:18 36:8 58:20
set 23:4,16 32:8 58:12 71:6
seven 8:10,12
seventies 10:4 11:2 49:12 65:4
severity 33:21
share 6:14,19 7:20 15:3 45:6 51:7 63:9 67:5,6,7 68:21
shared 59:7
shareholders 66:13
sharing 50:12
shortening 58:6
shortly 38:17
shouldered 68:13
shows 35:9
side 5:14
sides 9:21
sight 12:10
sign 6:18,21
signature 71:17
significant 24:18 36:7 37:5 51:4 68:5,9
significantly 28:18 43:9 52:19 66:3

similar 20:17 33:13 35:16 60:7
similarly 9:1
single 32:14 49:19 49:20 60:16 61:2 61:17,19 64:4
situation 11:4 65:3
six 7:18
size 52:21
slightly 24:11
slope 16:18
slower 7:11
small 13:3,5,6
smaller 37:6 57:7
social 65:5
society 21:12 30:4
sold 14:7,10 18:1 24:19 55:7
solutions 41:14
somebody 19:7
song 2:13 3:9 11:1 21:7,10 27:4 28:7 29:4,10,15
sons 11:5
sorry 21:4 28:8 39:9
sought 63:6
sound 50:18
sounds 50:16 51:1
source 15:10
speak 5:15 6:18 6:19,21 7:11,16 8:1 32:21 59:21 64:9
speakers 3:7
speaking 53:14 64:13
special 41:21
specially 58:20
specific 33:3
specifically 16:6 52:17 54:2
spelled 21:10 53:18
spoke 38:1
spot 50:17
spread 61:5 63:20
spreading 63:20
st 1:13
stability 55:12
stabilization 15:2
staff 2:3,8 64:15
stand 5:3 49:12,15
standalone 41:11
standard 15:21
start 4:4 21:6 33:2 41:2
started 4:10 10:7 49:11 63:18
starting 29:15
state 27:18 51:14 65:17 71:1,4
stated 56:19
statement 50:9
states 12:15 13:1 19:15 20:5,5,6,8 20:16 51:19,20 68:15
statistically 16:8
statistics 9:12,12
statute 57:6
statutory 16:4
stay 12:12,15 24:7
stenographically 71:8
stepped 68:13
steps 30:16
stop 12:10 15:15 23:1,8,11 26:12 35:21
strength 41:8
stroke 64:20
study 34:4 38:11 38:19
subject 31:13 32:12 55:2
submit 7:5,6
submitted 14:5 36:16 43:15 54:21
subsequent 49:9
subsidizing 46:4
substantial 57:9
suite 1:14 41:13
supplemented 16:8
support 30:3 36:14
supported 23:7
supporting 11:4
sure 13:19 28:12 53:4 63:10
surf 28:12,13 36:18 37:11 50:3
surplus 52:21 53:6 67:13
svedberg 2:12 3:8 13:11,13,15,16,21 17:20 18:12 19:9 19:10,21 20:15 21:2
switzer 2:4 4:2 9:6 13:14,20 17:17 18:3,20 19:6,17 20:9,21 21:3 26:5 28:3,12 29:14 36:17 37:10,19 38:6,18 39:2,6 40:12 49:2,11,18 50:1 51:9 53:13 60:3,7,11,14,19 61:7,18,21 62:3,7 62:14 64:7 67:2 69:12

t

t 53:18
tab 7:8
table 6:17 7:2 17:5 39:3
tackling 67:10
tact 60:12
take 6:14 11:6 17:16 25:11 50:15 54:1 66:7 67:4
taken 18:13 30:17 64:19
talented 4:11
talk 12:11 20:11 22:19 27:21
talked 50:2,3
talking 6:3 13:2 18:4
target 15:4 20:4 29:8 43:8
targeting 20:2
targets 26:13 64:2
tax 12:17
team 14:1 25:18
technical 38:2
telephone 2:14
ten 12:2,11 60:21 61:16 68:1
tensions 25:2
term 1:2,11 3:4 4:3 5:2 7:8 8:10 12:19,20 13:18 14:2 16:1 17:12 21:8 23:14 29:18 30:7,10 33:8 36:10 40:18 41:1 41:9,11,14,16 42:7 53:9 54:8,13 54:18 55:5 56:7 57:19 59:9,13 64:17,21 65:21 67:8
terminate 48:16
termination 48:19
terms 13:5 37:17 46:10 68:1
test 52:9
testify 36:13
testimony 7:5 33:9 38:1 52:7

thank 7:10 13:8 13:15 14:1 17:14 18:3 20:9,21 21:1 21:2,7 26:5 29:13 30:12 36:13,17,17 38:6 40:11,16 48:21 49:2 51:9 51:16 53:12 54:1 54:4 59:20 60:14 62:14 64:6,12,14 66:19 67:1,2 69:9 69:12 70:1
thanks 8:5 9:6,10 19:9 29:15,15 39:2 40:13 53:13 60:3 64:7 70:3,3
thing 11:17 20:10
things 6:11 8:8 10:3 18:3 50:2
think 20:19 32:11 37:10 51:3 61:13 63:11 69:3
third 41:4,10 46:6 62:10,11,12
thought 42:4
thoughtfulness 70:2
thoughts 6:13,17 6:20 50:18 68:21 69:17
three 5:4 7:18 14:13,14 39:16,20 50:6 61:14 63:21
tiered 47:1
time 4:9 6:14 10:12,13 15:1 21:6 22:10,17,20 23:17 24:7 33:14 36:9 40:13 43:1 49:5,10 52:20 54:3 55:4,7,14,16 56:19 57:2,4,9 62:12 63:5 64:19 69:13,14 70:2 71:6
times 20:17
timing 62:8
today 4:8,19 5:1,8 7:4 41:7,10 49:1,3 51:20 54:13 55:7 56:8 59:21
today's 17:15 32:12
todd 2:4 8:6 52:5
toll 58:19
tool 59:4
top 68:1
topic 40:20
total 20:3 52:21 53:10
touched 52:6
tough 60:2
tracking 15:7
traditionally 62:11
trained 58:21
transcript 7:18 67:6 71:8
transparencies 6:6
transparent 15:12
traveler's 4:12
trend 2:15 3:10 29:16,17,21 37:4 37:16,20 38:10,21 39:9,13 40:8,10
trigger 28:10
triggering 25:14
troublesome 67:9
true 71:9
try 7:10 50:13 67:7,18
trying 12:12,15 13:7 14:21 20:6 67:15 68:12,17
turned 22:18
two 7:9 11:4 12:1 14:5 18:2 27:8,17 29:2,8,11 39:18 42:10 44:11 51:5 60:9
tying 61:18
type 37:15 44:14
types 61:10,14
typically 18:13,17 38:14 56:13 57:7

u

u.s. 41:7
ultimate 19:18
ultimately 10:11 16:20 38:5
underlying 30:20 31:17
underpinning 67:20
understand 14:19 15:15 35:7 37:2 41:19 43:21 65:16 68:14
understanding 30:19 69:7
understood 37:10 37:19
unequivocally 68:8
unfairly 32:4
unfold 5:20
unfortunately 57:1
uniformity 36:21
unique 5:16 42:1
unlimited 12:2
unlocking 62:5
unlocks 62:11
update 69:14
updated 59:16
urge 66:17
use 35:17 61:2
uses 30:20
usf&g 4:13
usually 23:17 24:2
utilization 52:11 52:18
utilizes 52:12

v

valuable 63:8
valuation 16:4
value 9:7,11 33:14 36:6 50:14 59:19
valued 30:14 54:5
vantage 10:1
variety 58:3
various 55:20 61:16
vary 56:12 61:9
vast 35:10 37:9
vein 50:18
version 14:6,7
vice 29:21 41:1 53:16,19,21
views 30:10,15 39:21 54:6
virtually 17:21
voluntarily 23:2
vp 40:13,14 53:15 53:16

w

want 5:15 13:18 15:12 27:4 38:8 39:4 45:15 54:1 63:20 69:14
wanted 8:8 10:1 63:9,10 67:3
wants 15:14
washington 13:1 40:4
way 12:8 63:11 71:12
ways 11:10
we've 18:13,16,17 20:1,16 63:4
wealth 66:15
website 7:6,19

wednesday 1:4,12 7:4 69:19 70:1
week 7:4 69:21
weeks 7:18
weighted 56:16
welcome 4:3 6:19 26:3 30:9 64:10 70:2
wellbeing 10:20
went 65:11
willing 20:19
wise 5:18
wish 68:18 69:13
wit 71:2
withdraw 12:18
witnessed 71:14
wondering 10:10 18:4 19:15
work 12:9,14 13:8 60:20 61:15
worked 4:12 56:9
working 17:1 28:14
works 6:16
worry 44:16
worse 32:1 39:12 43:4 52:10,19 56:3 63:16,16
writer 41:10
written 7:5 48:11

x

x 21:11
xiaoyan 2:13 21:4 21:10

y

y 21:11
yeah 13:20 19:21 61:20
year 4:4 11:12 12:1,2,11,11 20:13,13 22:21 23:4 24:5 26:19 26:19 27:2 38:12 57:6 60:9,21 62:2 62:5 65:13,18,18 66:1 67:14
yearly 50:6
years 9:15 10:7 14:14 23:15 27:20 30:6 31:15 36:19 39:16,18,20 41:6 41:10 43:3 50:5,6 59:11 61:6,17 62:1 63:6,7 64:3 65:1,21
york 2:16 5:12,12 5:12,15 6:1 40:14 40:16 41:1,3,5,8 41:18 44:17,19 45:11,19,21 48:6 51:6 52:21 53:5
younger 46:3,12 47:2,3,6,11

z

zack 2:8
zero 5:10,13 40:10 52:11
zimmerman 2:5 4:16 8:3,5,7 40:5 40:9,11 51:17 52:4 53:4,12