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Maryland Insurance Administration Hearing

May 13, 2020

In the Matter of:

Long Term Care Hearing

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MARYLAND INSURANCE ADMINISTRATION

LONG-TERM CARE HEARING

OFFICE OF THE CHIEF ACTUARY

200 Saint Paul Place, Suite 2700

Baltimore, Maryland 21202

Wednesday, May 13, 2020

9:00 a.m.

(Due to COVID-19 Social Distancing Protocol

this Hearing was held via teleconference)

REPORTED BY: Susan M. Liebrecht, RPR

APPEARANCES (Via Telephone):

MARYLAND INSURANCE ADMINISTRATION STAFF:

AL REDMER, Maryland Insurance Commissioner

JAY COON, Maryland Deputy Insurance Commissioner

TODD SWITZER, Chief Actuary

ADAM ZIMMERMAN, Actuary

JEFF JI, Senior Actuary

ZACHARY PETERS, Chief of Staff

DAVID COONEY, Associate Commissioner of Life & Health

COMPANY REPRESENTATIVES:

AARON BUELOW, Bankers Life & Casualty Company

JASON FRAIN, Brighthouse Financial

XIAOYAN SONG, Berkshire Life Insurance Company

REBECCA BUTLER, Continental Casualty Company

PATRICK KINNEY, MedAmerica Insurance Company

ALSO PRESENT:

SHAWNA MEYER, GE Capital (Union Life Insurance Co.)

MIKE BERGERSON, Milliman Seitz

GARY CARTER, Consumer

INDEX

Long-Term Care Public Informational Hearing

May 13, 2020

PROCEEDINGS

MR. REDMER: Welcome everybody and thank you for joining us this morning. I am Al Redmer of the Maryland Insurance Administration and this is our second public hearing on specific carrier rate increases for long-term care insurance this year, 2020.

Today's hearing will focus on several rate increase requests now before the Insurance Administration. In the individual long-term care market, these include requests from Berkshire Life Insurance Company of America proposing increases of 20 to 32.25 percent, dependent upon the policy form; Brighthouse Life Insurance Company proposing increases of 149 percent; Continental Casualty Company proposing increases of 157.6 percent for policies that have inflation riders; MedAmerica Insurance Company proposing increases of 15 percent, and Bankers Life & Casualty Company proposing increases of 15 percent.

These requests affect about 6,082 Maryland policyholders. And the goal of today's hearing is for insurance company representatives to explain their reasons for the increases. We will also listen to comments from consumers and any other interested parties. We are here to listen and ask questions of the carriers and consumers regarding the specific rate increase requests.

Before we get started, I'd like to introduce the folks that are on the phone from the Maryland Insurance Administration.

We have panel members Todd Switzer, Chief Actuary; Adam Zimmerman, Actuary; Jeff Ji, Senior Actuary; Zach Peters, Chief of Staff; David Cooney, Associate Commissioner of Life and Health, and Jay Coon, Deputy Insurance Commissioner.

Before we go on I want to go over a few of the procedures that we would like to follow for today.

Now, if you would like to speak, you will have needed to RSVP to speak in advance of today's call. Now, if we have some time we'll try to get to those folks that didn't RSVP.

Second, with the exception of MIA staff, this hearing is not proposed to be a question and answer forum, rather comments from interested parties were received and reviewed in advance of this meeting and please continue to submit comments up until Wednesday, the 20th of May.

So, again, the Insurance Administration will continue to keep the record open until Wednesday, May 20th for additional written testimony. The transcript of today's meeting, as well as all written testimony submitted, will be posted on the Insurance Administration's website on the long-term care page, as well as the quasi-legislation hearings page.

The long-term care page can be found at the MIA website by clicking on the Long-Term Care tab, which is located under the Quick Links section on the left-hand side of the homepage.

As a reminder, we do have a court reporter on the line today to document the hearing. When you're called, please state your name and affiliation clearly for the record.

Now, for everyone on today's call we ask that you please mute your phones unless you're going to speak and please do not place your phone on hold, as naturally, that will broadcast music into the call. So I can't stress this enough. Please don't put us on hold, but do put us on mute.

Also, any time before speaking, if you could restate your name and organization that would be a help. And we will be asking the carriers to speak regarding their rate requests and we'll be calling on carriers in alphabetical order. Afterwards, again, we're going to invite interested stakeholders and consumers to speak.

So now I will reintroduce our chief actuary, Todd Switzer, who has a couple of comments that he would like to make. Todd?

MR. SWITZER: Good morning, everyone, and thank you, Commissioner.

The long-term care filings remain amongst the highest priority of all the filings we get and the most difficult filings. We have about 150,000 Marylanders that have long-term care coverage.

So far year-to-date this year in 2020 we have approved 29 filings affecting about 33,000 of those 150,000. The average requested increase was 61 percent. We're aware of Maryland's annual 15 percent cap, but the requests, as they came in the door, were 61 percent. What we have approved has been a little more than half of that and has been, on an annual basis, less than 10 percent on average.

More importantly, recently we have engaged the carriers more along the lines of, if we talk about multi-year rates action we would need a rate lock or would ask the carrier to consider once those increases, if we were to consider a multi-year, that after that there is a hiatus from rate increases and the customers can know for more than just one year at a time what to expect. And so far we've had approvals of what we're calling a rate lock or rate guarantee of no more increases for a period of time of one year to ten years. One carrier switched their contract to non-cancelable, meaning that once these rate increases are approved, no more. It's in the contract that no more increases.

We have also tried to target the increases where the financial problems are the most acute. And that has meant, in some cases where the benefits are leaner, like only a one-year or two-year benefit or no inflation adjustment and in many met cases those portions of our consumers have been exempted from a rate increase and that will be our track going forward.

We try to be circumspect about what's going on in other states and look there, but our focus is in serving Marylanders and looking out for the interests of our seniors and making sure that the rates are adequate for our carriers.

We have a -- we are following the impact of COVID-19 on long-term care insurance. At this time it's unclear what the impact will be exactly short-term or long-term, but we are monitoring that and collecting all the data that is available from various sources out there.

We have a diverse set of filings to be discussed today. We have a monoline carrier who just offers long-term care and coverage, long-term care coverage. We have companies of varying size from capital ranging from 42 million to 11 billion. We have one carrier that is still selling; the others are not. We have rate increases already in place prior to these rate filings of 130 percent high, so to the one carrier this will be the first rate increase.

We have some of these filings affect 50 Marylanders; others 3,200. And as far as context and financial condition versus, the benchmark that we use in the Office of the Actuary, is that versus the minimum safe amount that the industry and actuarial standards recommend a company has in terms of capital, that should be about 375 percent is our rule of thumb and then go below that. We have carriers, again, ranging today from 206 to 1,100.

So that's background. I'd also like to thank the three gentlemen who submitted questions. Mr. Kosterlitz, are you on the line by any chance?

(No response.) Okay, hopefully later we'll check again. Mr. Carter, are you on?

MR. CARTER: Yes.

MR. SWITZER: That's great. Thank you. And Mr. Friedman.

We will have a chance, after the carriers speak, to explicitly go to those who signed up, but just a little flavor, maybe for the carriers to keep in mind, that some of the points made in these customer letters, one is a quote that, just reminding, that these filings impact, and I'm quoting, the most financially restricted age groups in the country, people that are on fixed incomes where these increases really give pause.

And another statistic was given that, you know, the Genworth study, just an industry study that's used by many in the long-term care line of business, has shown annual increases in cost of 4.4 percent. And then there is -- however, that's different from the consecutive 15 that have been speaking of late.

So that's a little bit of color and with that, I would like to invite up first Mr. Aaron Buelow from Bankers Life & Casualty to speak, managing actuary. Mr. Buelow?

MR. BUELOW: Thank you. Can you hear me? Just to be sure.

MR. SWITZER: Yes.

MR. BUELOW: Okay. Thank you.

Good morning, Commissioner Redmer, Maryland Insurance Administration staff and distinguished guests. My name is Aaron Buelow. I'm a managing actuary in the Health Inforce Management department at CNO Financial Group. I'm responsible for, among other things, reviewing experience on, and making recommendations for, the long-term care business of Bankers Life & Casualty Company, which is the largest insurance company under the CNO Financial Group umbrella. On behalf of my company, I would like to thank you for the opportunity to provide information regarding our recent request to increase premiums on several of our older long-term care insurance policy forms, including GR-N340 Facility Care, GR-N350 Long Term Care, GR-N370 Facility Care, and GR-N380 Long Term Care forms.

Before discussing the details of the

filing, I would like to provide some background on the LTC business at my company. Bankers Life & Casualty currently insures more than 250,000 members nationwide, approximately 4,500 in Maryland, under a Long-term Care, Home Health Care, Nursing Home and Short-term Care convalescent care policy. We have been writing business since 1987 and we remain actively selling new policies today, having issued over 250 new policies in Maryland during 2019. At Bankers Life, we are proud of our commitment to offering meaningful insurance coverage to middle market consumers at and near retirement and we believe our long-term care and short-term convalescent care products are an important component of our policyholders' financial security in their retirement years.

There are approximately 100 policyholders in the State of Maryland who are insured under one of the various policy series for which we are requesting to increase premiums. These insureds were issued between 2003 and 2005, and, on average, have been in force for 17 years as of the present time. Across the

United States, the policy forms that we are here to discuss with you today have been subject to three separate premium increases over time, a varying increase by age and benefits, ranging from zero to 40 percent; and two flat increases of 30 percent and 35 percent. However, the State of Maryland has approved and we have implemented two varying increases of zero to 15 percent and two uniform increases of 15 percent.

Thus, the full nationwide premium rate level is 32.7 percent to 40.5 percent higher than the Maryland premium rate level, depending on the issue age and benefit plan. As such, we are requesting that Maryland approve the maximum allowable 15 percent premium rate increase on all of these policies to bring the Maryland premium rate level more in line with the nationwide rate level. We believe the equitable thing to do is to continue to pursue rate actions in all states that have not approved the full amount of our prior rate actions with the goal of ultimately achieving rate parity across the nation.

We understand and respect that the State of Maryland has a 15 percent premium rate increase cap in its regulations. Therefore, absent any material change in the experience of these policy forms that would indicate a need to change the nationwide premium rate levels, we anticipate that we would request an additional premium rate increase in the future for these policyholders in order to bring the Maryland premium rate level on par with the nationwide rate level.

We understand that increasing premiums can be difficult for insureds who are on fixed incomes and we make a point to personalize each notice of a premium rate increase with options for customers to consider, including paying the increased amount or, if the current coverage is above the minimum benefits we offer, reducing coverage by increasing elimination period or reducing benefit period duration. In addition, each customer is invited to call a 1-800 number to explore other possible benefit reductions that may be available in the event that the specific personalized options described in the rate increase notice are not satisfactory to them. We understand that customers may wish to spend time considering the options available to them, so our current practice is to notify customers of an impending premium rate change at least 60 days in advance of the change. As you know, we are required to provide at least a 45-day advance notice of a premium rate change in the State of Maryland, so our current process complies with Maryland law and provides an additional 15 days of advance noise.

We have submitted financial projections to the Maryland Insurance Administration documenting the actuarial justification for the 15 percent premium rate increases we are requesting. The policy form series subject to this premium rate increase request is required to meet a minimum lifetime loss ratio of at least 60 percent, and the form series lifetime loss ratio projection is significantly higher than 60 percent. Additionally, based on our current projections, the allowable rate increase applying a loss ratio requirement of 58 percent of the initial premium and 85 percent of the rate increase premium is significantly higher than the 15 percent requested. The policy form series subject to this rate increase has accrued experience since inception that is fully credible from a statistical standpoint on a nationwide basis, but is not credible for Maryland alone. Therefore, the experience data and analysis performed on this block of business utilizes the nationwide experience.

For the GR-N350 policy series, the projected lifetime loss ratio at Maryland's current rate level is 85.9 percent and decreases to 82.6 percent assuming the premium rate increase is approved.

Please note that the lifetime loss ratios I just discussed are calculated as the ratio of the incurred claims or paid benefits plus change in the claims reserves to earned premiums. Active life reserves, or reserves accrued to fund future claims which have not yet occurred, are not included in the calculation. One thing I would like to note, however, is that when individual insureds lapse their insurance, the active life reserves associated with those individuals are released. In accordance with statutory and tax accounting requirements, the released reserves flow into unassigned surplus where, theoretically, they could be reallocated to any line of business within our company. However, our current practice at Bankers Life & Casualty is to reallocate the reserves released due to the rate increase related coverage changes and terminations back to the LTC line of business. This practice we have instituted at Bankers Life & Casualty enables us to build significant additional active life reserves to support our LTC business.

I would like to close by noting that the premium rate increase requests we have made are designed to mitigate, or reduce, losses that are expected to emerge in the future, and not to recover any past losses that have already occurred. While the LTC policies subject to this premium rate increase request overlap minimum lifetime loss ratio regulations and rate stabilization standards that were implemented more recently, the premium rate increase we have requested on these policies complies with the requirements of the more stringent rate stabilization standards, as well.

Bankers Life & Casualty believes it is in both our company's interest and our policyholders' interests to continuously monitor our business and work with regulators to adjust premiums as expeditiously as necessary to enable us to maintain a financially stable book of business and honor our commitments to our policyholders to be able to pay their claims when they arise. We look forward to continuing to work with the Maryland Insurance Administration on this filing and any others that may be required on this policy form or others in the future with the goal of meeting our mutual objectives of keeping our LTC business at Bankers Life & Casualty financially sound and stable.

Thank you, again, for providing me the opportunity to speak with you today. I sincerely appreciate the opportunity to engage in dialogue on this important issue of the pending premium rate increases on several of our LTC policy forms.

And now, I would be happy to entertain any questions you may have for me.

MR. SWITZER: This is Todd Switzer, again. One question is along these lines.

So we see that so far rates have increased by 75 percent, they started in 2002, annually, $1,125 and they're currently at $1,967, about a $840 increase. We see that you are pricing to a loss ratio in the low 80's, 82.6, and the needed increase is 40.3 for your filing.

So my question is, if a multi-year increase were to be granted would the Company be open to discussing a rate lock after that?

MR. BUELOW: Yes, depending on the extent and the amount of the multi-pack. We would be looking for more than the current 15 percent that we're requesting.

MR. SWITZER: Right, but if it were stretched out over a few years, I know we can work this out through SERFF, but I hear you saying you're amenable to talking about different scenarios and what that would mean in terms of the magnitude?

MR. BUELOW: Yes, yes. Certainly.

MR. SWITZER: Great. And another detail, I see that of the 136 Marylanders affected by this filing, that about 14 of them are facility-only.

If we were to look at, parse this by if some of these smaller pieces that may have intuitively reason to have lower cost, could we maybe talk about carving them out in terms of how they're treated, perhaps?

MR. BUELOW: We're definitely open to the dialogue. I would need to do some research to determine how feasible that is from our administrative system's capacity. I believe that we can -- we should be able to carve them out relatively easy and treat them separately, but I would need to confirm that from someone from our administrative system. But we definitely would be willing to discuss that and pursue it further, yes.

MR. SWITZER: Sure, I appreciate that. That's all that I had.

MR. JI: This is Jeff Ji from MIA. I have a question.

One of the responses to our objection you said that you need additional 22 percent rate increase, and nationwide level already increase, can you let us know where that 22 percent, where -- how do you determine your rate, nationwide rate, increase level?

MR. BUELOW: Well, right now we're just looking at the total highest rate increase that's been experienced by any sell. So we could do a more complicated calculation, but due to the fact that on a nationwide basis the first premium rate increase are varied from zero percent to 40 percent based on the premium issue age and the benefits plan and there were two rate increases in Maryland specifically that vary from zero percent to 15 percent. But currently we're just looking at, I wish I had the calculation open, but I believe that works out that if you do with the 40 percent and 30 percent and 35 percent, effective due to -- and I guess I can ballpark it, that's 60, so after this one we would still need another 22 for the rate sells that had the highest rate increase out of any of those to be at the highest level that would experience nationwide.

MR. JI: So you have target loss ratio for nationwide?

MR. BUELOW: No. Right now we're just looking at making the rates equitable across the nation, so we are looking to -- which is, technically speaking, not going to be possible in this situation since the rate increases, the first rate increases, weren't comparable with the nationwide rate increase.

So in most states we're looking for having one consistent rate schedule that matches the nationwide rate schedule. In Maryland we're looking to get the highest rates increase that was achieved to be equal to the highest rate increase that was achieved on the nationwide rate schedule, if that makes sense.

MR. JI: Yes, thank you.

MR. BUELOW: So if we can't get the two

schedules to line up perfectly, we're just trying to make sure that we don't have any sell in Maryland that overshoots the nationwide rate schedule.

MR. JI: Thank you.

MR. BUELOW: Thank you.

MR. SWITZER: Any other questions?

(No response.) Okay. Then I'd like to invite Ms. Song from Berkshire Life, Assistant Vice President with Life Care, please.

Ms. Song, are you on? (No response.)

Okay, then we'll go to Brighthouse and Mr. Jason Frain, Vice President with Brighthouse, and Ms. Shawna Meyer, Chief Actuary of GE Capital, please.

MR. FRAIN: Yeah, hello. Good morning, this is Jason.

MR. SWITZER: Good morning.

MR. FRAIN: My name is Jason Frain. I am a vice-president at Brighthouse Financial, responsible for management of our run-off businesses, including long-term care insurance. With me on the phone today is Shawna Meyer, Chief Actuary at GE Capital, the parent company of Union Fidelity Life Insurance Company, which is the retrocessionaire and ultimate risk holder for this business. Shawna has also prepared remarks to share today regarding the filing. Finally, Mike Bergerson, a principal and consulting actuary with Milliman, who handles the actuarial analysis and filings for the policies to be discussed today, is available to help with questions.

First, thank you to Commissioner Redmer and the Insurance Administration for this opportunity to discuss the pending long-term care rate filings. I'd also like to thank the consumers, including our customers, who are on the phone for their interest and participation in the hearing.

My goal today is to provide the rationale for the pending rate increase and discuss the ways we are helping policyholders balance the premium costs against their needs for coverage.

The policies that are part of our filing and under discussion today were originally written by Travelers Insurance Company and sold from 1990 to 2001.

MetLife acquired the policies through its acquisition of Travelers Insurance Company in 2005 and the policies transitioned to Brighthouse Financial through its separation from MetLife in 2017. As of December 31, 2018, these products covered 2,429 insureds in Maryland and over 55,000 insureds nationwide.

The decision to file for these increases was made only after careful evaluation of the policy experience, which has shown continued deviation from assumptions. As submitted in the fillings on January 16, 2020, we are respectfully requesting a 149 percent increase in premiums across the long-term care policies in force in Maryland. This increase is needed due to morbidity and persistency levels which produce lifetime loss ratios in excess of the original pricing. As part of this rate increase request, the Company targeted a lifetime loss ratio of 120 percent for this block, double the minimum loss ratio requirement of 60 percent. For consumers on the phone, that essentially means even with this sizeable increase, we would expect to receive claims of $1.20

for every dollar of premium received.

We are aware of section 31.14.01.04(A)(5) of the Code of Maryland Regulations and that the requested increase is greater than 15 percent. The goal in filing for a large increase at this time is to provide better certainty around future premiums for the insurer, and more importantly, the consumers. We would like to advise policyholders about future rate increases and would like an opportunity to work with the Administration on implementation so consumers can more appropriately plan for these increases.

We understand and empathize that these rate increases are a challenge for our policyholders, as many of them are retired or are on fixed incomes. We also know that these increases may be particularly challenging for our policyholders who may be impacted by the current COVID-19 pandemic. We also appreciate that they have remained faithful customers over many years and we thank them for their business. To provide flexibility to our customers, we offer options to give them a choice to find a premium level that works for their individual needs.

First, a policyholders can decide to pay the higher premium and maintain the level of benefits they currently have under the policy.

Second, a policyholder can make benefit changes, which would adjust their premium accordingly to give them their preferred balance of premium and benefits. These changes generally result in a premium similar to their current premium or can lead to an even lower premium.

Finally, the policyholder can select a non-forfeiture option, what we call an optional limited benefit, that will provide a paid-up level of benefits equal to the total amount of premiums paid, excluding waived premiums, and less any claims paid. The advantage of this option is not having any future premium payments.

Even with these additional options to manage premiums to a similar or lower level, our experience on prior rate increases in Maryland has shown that 89-93 percent of policyholders decide to pay the higher premium, recognizing the value and protection that their policy provides.

Once again, I'd like to thank the Administration for the opportunity to speak here today. Now, I'd like to turn it over to Shawna for her comments.

MS. MEYER: Good morning, can you hear me okay?

MR. SWITZER: Yes, good morning.

MS. MEYER: Thank you.

I would like to thank Commissioner Redmer and the Administration for the opportunity to discuss our current long-term care filing pending with the Maryland Insurance Administration. As Jason mentions, this business was originally written by Travelers Life Insurance Company and through a series of transactions the block is on Brighthouse Life Insurance Company paper. However, Union Fidelity Life Insurance Company, an indirect GE subsidiary, holds 100 percent of the final risk and we are here today to assist with this hearing, as well as work with the department on the approval of the requested rate increase.

We understand the difficulties these rate increases can be to the policyholder. The Company also recognizes that the full rate increase needed will not be transferred to the policyholders. If the full rate increase is approved the projected lifetime loss ratio will be 120 percent. Furthermore, the Company has already recorded 1.76 billion of GAAP loss recognition and is holding an additional 1.61 billion of additional actuarial reserve on a statutory basis. It is clear that this business will never be profitable for the Company.

As requested in the filing, the Company would like to work with the department on the approval of this increase with the thought that it would be implemented over several years. The Company knows that the needed rate increase to meet the projected lifetime loss ratio of 120 percent is 149 percent. The Maryland Insurance Administration is aware of this. However, this information is not always transparent to the insured. The department cannot tell a policyholder who asks how many increases are going to be filed because the department may not know. The Company cannot tell a policyholder about future rate increases because they have not been filed or approved, so this amount is unknown. We would like to reiterate the need to provide as much information as possible to the insured so they can plan accordingly. And I believe this is consistent with some of the comments that have been made here.

So with that we would be happy to take questions at this time.

MR. SWITZER: Thank you. This is Todd.

I note that you're pricing to 120 percent lifetime loss ratio. The rate increase so far for people in this policy series started with a premium of about $1,700 per year annually and before this filing is up to $3,900, with a $2,200 increase, 131 percent.

And with that as backdrop, my question is, with this policy series being in about duration, 30, and over the life of the series about 73 percent, present value wise, of the revenue being in the past, already behind us, the height of enrollment was about 4,500 Maryland members and we're currently at 2,400 and in ten years we'll be down to 800.

So my question is, is the fact that, given that almost three quarters of the revenue is behind us and trying to get the lifetime loss ratio even up to 120 on a dwindling block, is going to increase dramatically as the enrollment decreases, and this is one of the points one of our three consumers letters made.

Is that dynamic factored into the recommendation of the calculation of the need of 149 percent, please?

MR. BERGERSON: Shawna, do you want me to take that one?

MS. MEYER: Sure. Why don't you start and I can add. Go ahead.

MR. BERGERSON: This is Mike Bergerson with Milliman Seitz.

The fact that the block is projected to shrink over the next ten years is reflected in the

149 percent request and gets us to the 120 percent target loss ratio.

If you were to spread the increase over multiple years, subject to the 15 percent GAAP, that is not reflected in the 149 percent, so the increase to sell is over a number of years. You'll require a higher cumulative increase than the 149 percent one-time request.

MR. SWITZER: Right, appreciate it. I understand the cost of delay, but, and this may be something we will explore further, it will be when we correspond through the rate filing system. Thank you.

MR. JI: This is Jeff. I have a question.

We are looking for 149 percent commit of the target loss ratio of 120 percent. So if you do the level, this rate increase request, so did you consider any shot glass or benefit reduction in your projection to calculate that hundred percent loss ratio, 120 percent loss ratio?

MR. BERGERSON: Yeah, this is Mike Bergerson.

There is assumed shot glass and we just benefit option election associated with the rate increase, as well as assumed adverse selection.

And if I can find the assumptions quick, with a one-time 149 percent increase we assume that six percent of policyholders would shot glass and take the optional limited benefit that Jason referred to and about a 15 percent reduction in premium and claims from reduction of benefit optional elections.

MR. JI: Is six percent from the minimum study or based on what?

MR. BERGERSON: The six percent shot glass was based on some experience that we have with this block and other blocks, but when you get to the larger increases, like this request, it's also, you know, I believe based on actual adjustment.

MR. JI: Okay, thank you.

MR. SWITZER: Any other questions?

(No response.) Okay. We'll go back to Berkshire. Ms. Song, are you on the line?

MS. SONG: Can you hear me now?

MR. SWITZER: Yes.

MS. SONG: Sorry, I was muted and I didn't realize that. Good morning.

MR. SWITZER: Good morning.

MS. SONG: 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 have been authorized by Berkshire Life Insurance Company of America to file the rate increase on its behalf. Thank you for providing me the opportunity to discuss this long-term care rate increase filing.

There are two policy forms involved in the filing. Policy form BG01P(06/04) was issued in Maryland from 2004 through 2009 under product name, Care Provider, and is referred to as BG01 in this presentation. Policy form BG01P(01/09) was issued in Maryland from 2009 through 2012 under product name LTC Choice Provider and is referred to as BG04. These two policy forms are no longer being marketed in any jurisdiction.

The Company is currently requesting a flat 20 percent rate increase to the premium rates charged for BG01 and a two-year phrase-in flat rate increase of 15 percent per year for BG04, which is a cumulative 32.25 percent increase.

The request would impact the premiums for 166 Maryland policies for BG01 and 78 Maryland policies for BG04 using in force as of 2018 year end. The increase is being requested because actual experience on this block has been less favorable than originally anticipated at the time the products were designed. The original pricing lifetime loss ratio was 60 percent for BG01 and 63 percent for BG04. Without the current requested rate increase, and under best estimate assumptions, the lifetime loss ratio for nationwide business is 94 percent for BG01 and 89 percent for BG04.

These policy forms were originally developed in the 2000s using assumptions which seemed reasonable for their time. However, the reality has turned out to be different from what was initially assumed. Here I'm going to talk about the major assumptions and what happened with them over time.

First, mortality rates have been lower than what were originally priced into the products. With longer life span, chronic diseases but no cure, the result for long-term care insurance is that more insureds are living longer with their chronic diseases and filing more claims which, in turn, drives the claim costs even higher.

Secondly, lapse rates have continued to decline as more policyholders have recognized the value they have received with their long-term care policy. Again, while it is a good thing that more people have long-term care coverage, it has served to drive claim costs higher in the aggregate.

Thirdly, 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 they stay on claim, referred to as continuance rates. While incidence rates have been lower than what was expected, continuance rates have been much longer than anticipated, resulting in claims costs higher than originally forecast. These items have contributed to an insufficiency of premiums charged by the Company, resulting in the need to file for and implement rate increases.

There is a significant impact for the policyholders. Policies were sold with the possibility that the premiums could increase, but with expectations that the premiums would remain the same over the life of the policy. As a result, when policyholders receive a notice that their rates will increase, tensions could run high. The Company will do its 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. For example lowering the daily benefit or 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 Contingent Benefit Upon

Lapse benefit, which is automatically provided to all Maryland policyholders with no consideration of triggering point.

In order to improve communication with policyholders about their options in connection with the rate increase, the Company sends the rate increase notification letter about 67 days before the policy anniversary date and it invites policyholders to call its dedicated customer service team to discuss their personalized options that will allow the policy to meet coverage and their financial needs.

The Company is looking forward to continued dialogue with Maryland Insurance Administration in the rate increase process. This concludes my presentation today.

MR. SWITZER: Thank you. This is Todd.

For context, I see that when, for BGO1, the policy was issued in 2004, the starting premium was later entering a little bit higher at $4,400 and currently stands at $5,600, so that's an increase of almost $1,200.

I'll also note that Maryland's experience is a little better for BG01 for your projections at 89.2 percent with no increase, at 89.2.

So my question is, with the two needed you have put forward of the 20 percent, cumulative to 32.5, if a multi-year increase were entertained would the Company be willing to discuss a rate lock after that? No rate increases for a period of time after such an approval, potential approval, as we discuss the filing, please?

MS. SONG: This block has been reinsured by two reinsurers and we have talked about this rate lock after rate increase with those two reinsurers and their reply was they do not agree with the rate lock because this is the rate that is guaranteed renewable for that by the contract and they do not intend to change the nature of the contract to allow comparable.

MR. SWITZER: Right. We'll then pursue this later through the filing. Other companies are guaranteed renewable, as well, and have just discussed the option with us and, as we started the meeting, have agreed and just note that the 89 loss ratio with no increase in some carriers are pricing to 100 and 120. So we'll follow up through SERFF.

That's all that I had. Any other questions?

MR. JI: This is Jeff Ji.

So after this rate increase, are you looking for an additional rate increase in the future?

MS. SONG: We're continuing monitoring the experience of the block, but currently we do not have any client for additional rate request.

MR. JI: Thank you.

MR. SWITZER: Any other questions?

(No response.) Okay, I'd like to invite Ms. Rebecca Butler from Continental Casualty, Actuarial Director, please.

MS. BUTLER: Thank you, Todd. Can you hear me okay?

MR. SWITZER: Yes.

MS. BUTLER: Great. Good morning, everyone.

My name is Rebecca Butler, I currently serve as Director and Actuary for Long Term Care Pricing and Inforce Management at CNA. I appear before you today regarding the long-term care rate filing of Continental Casualty Company, which is a principle underwriting subsidiary of CNA Financial. We are appreciative of this opportunity to explain our rate need in greater detail.

As the Maryland Insurance Administration is aware, long-term care represents a substantial portion of CNA's overall business. As of year end 2019, the LTC book accounted for approximately seven percent of CNA's total gross premium written and roughly 41 percent of the Company's reserving obligation. The LTC reserves comprise a substantial portion of the Company's total reserves due to the long-tail nature of this product. This highlights the need for rate increases to ensure adequate reserves to meet future policyholders obligations. While the reasons for our rate need are not necessarily unique within the industry, we respectfully request that the Maryland

Insurance Administration, and policyholders alike, recognize that these increases are vital to ensuring adequate reserves to satisfy future claims.

CNA is committed to meeting policyholder obligations while ensuring the financial stability of the Company. The Company is not requesting rate increase levels that will ultimately result in turning this into a profitable business; rather, we seek only to ensure we have adequate reserving levels to pay future claims. That is why our rate filing was calculated targeting a 100 percent lifetime loss ratio. This means we are requesting only the rate increase needed to meet expected future claim payments, not inclusive of associated expenses, which CNA is willing to absorb. To reiterate, the Company's goal with respect to this rate request is merely to break even from a financial perspective while meeting our policyholder obligations.

In addition to our premium rate adequacy efforts, we have also made investments in our long-term care claim operations. Despite the fact that CNA's long-term care business is comprised solely of closed blocks, we continue to actively manage the business to ensure that claims are processed in an appropriate and timely manner. We are also actively working with third-party providers focused on finding innovative solutions to help stabilize the long-term care business, with offerings such as wellness initiatives and claims management solutions.

CNA's current preferred solution long-term care insurance rate filing requests an increase of 157.6 percent on policies that include an automatic benefit increase rider only. Any increases approved on this block of business would affect approximately 3,100 Maryland policies.

Along with the Company's rate filing, policyholders will be provided with a notification letter that includes a number of benefit reduction options to help mitigate the impact of the rate increase. The first option, and one that has been a popular option for policyholders, is to drop the inflation rider prospectively. Policyholders who choose this option, referred to as the freeze and drop option, will retain their current level of inflation-adjusted benefits. Upon election of the freeze and drop option, the policyholder's new premium will be based upon their original issues ages without the inflation option.

Other benefit reduction options available to policyholders to help offset the proposed rate increase include reducing the maximum benefit period, reducing the daily benefit, increasing the elimination period and/or dropping any other optional rider. These benefit reduction options are always available to CNA policyholders, and will be communicated as such through the rate increase notification letter.

In addition to the benefit reduction option, with this increase, CNA will also offer our policyholders a unique opportunity to completely discontinue paying premiums with three distinct options offered through the rate increase notification letter.

Under option one, CNA will offer insureds the option to retain a lifetime benefit amount equivalent to 150 percent the nominal sum of their lifetime premium paid to date, referred to as an increased contingent non-forfeiture benefit, as it is above the standard level of this time of benefit.

Under the second option, CNA will offer insureds the option to retain a lifetime benefit amount equivalent to 100 percent the lifetime premium paid to date, otherwise known as a standard contingent non-forfeiture benefit, with an additional cash payment offer that is based on the Statutory Reserves held for the insured excluding the reserves retained for the contingent non-forfeiture benefit.

Under the third option, CNA will offer insureds the option to receive a cash payment based on the Statutory Reserves held for the insured in exchange for the complete surrender of the policy.

These options are being offered to all insureds, regardless of issue age and rate increase amount, and it is worth noting that these options go well above and beyond what was outlined in the NAIC model bulletin.

CNA's rate need is not owing to factors unique to CNA, but rather due to the assumptions made at the outset by the industry as a whole in the originally filed and approved rates that have deviated over time. As most are aware, both macro-oriented assumptions, as well as more micro-oriented assumptions, put into place at the outset with respect to long-term care rates have caused pressure on the industry.

From a macro perspective, interest rates are at historical lows, leading to challenges earning the investment income needed to support policyholder obligation. From a micro perspective, persistency remains a key driver of our collective rate need going forward.

Long-term care insurance was originally priced as a lapse-supported product, which means that original premium could be lower for the block if some policyholders were assumed to voluntarily lapse their policy at some point in the future without ever going on claim. In rough terms, the originally filed and approved rates across the industry during the mid-to-late 1990's assumed a four percent lapse rate and experience has shown that lapse rates are less than one percent.

This deviation in persistency has led to increased expected future claim costs as significantly more policyholders have chosen to retain their policies than originally assumed. This persistency impact to rates is driven not only by policyholder lapses, but also lower mortality than expected. And while lower mortality is a positive from a societal perspective, this leads to a larger required rate need to support additional expected future claims.

As noted, long-term care poses a significant risk to CNA, with 41 percent of our total Company reserves being devoted to these anticipated liabilities. CNA's experience that has resulted in this rate increase request is not unique within this industry, but rather consistent with that of our peers in terms of the challenges, resulting especially from original interest rate and persistency assumptions.

Despite this experience, the Company remains committed to meeting policyholder obligations from both a financial and operational perspective. Since implementing our rate action program in 2013, it has become increasingly evident that policyholders find substantial value in maintaining security in their long-term care needs. As we continue to evolve and expand the options available to policyholders, we offer policyholders opportunities to maintain long-term care security, while reducing the impact of rate increases and now an opportunity to receive an equitable cash-out of a portion or all of the policyholders' benefits.

This demonstrates CNA's commitment to fulfilling our promise to our policyholders and providing fair alternative options while CNA maintains financial stability through the active management of our long-term care block of business.

Thank you and I'll turn it back over to you, Todd, for any questions you may have.

MR. SWITZER: Thank you.

When you say it poses significant risk to

CNA, do you mean solvency risk?

MS. BUTLER: Not necessarily solvency risk. It just demonstrates the significance of the long-term care portion with the CCC company.

MR. SWITZER: Sure, thank you.

My other is more of a comment that you're welcome to comment on or not. We see that you are pricing to a hundred percent loss ratio and in the modeling that you provided to us, we saw that -- so with the hundred percent loss ratio claims equaling the premium that's come in over the life of the policy, and with that it generates, including investment income, an 18 and a half percent loss.

So with expenses at 17 and a half percent we had expected that the investment income would at least be able to cover the expenses such that the net loss wouldn't be as how much as negative 18.5 and just something that we'd like to broach with you.

And we also are curious about the wellness initiatives and the claims management solutions. We may ask a little bit about that going forward. And we'll just have in our mind as context that the premiums for this form started at about $1,300 a year and they're currently at $2,700. So an increase of $1,300 and putting that with, you know, the already doubling of premiums and then what that will mean, dollar-wise, to consumers will be some of the context that we'll have in our forthcoming responses.

MS. BUTLER: Okay.

MR. SWITZER: Any other questions?

MR. JI: Yes, this is Jeff.

So you're looking for 158 percent rate increase to reach a hundred percent of loss ratio, and I notice that you have over 3,000 Marylanders at the end of 2018, so the hundred percent loss ratio is based on nationwide projection or Maryland only projection?

MS. BUTLER: Okay. So there is three questions. I think I heard three questions, so I can go down the list of three and answer each individually. Making sure I understand each question.

So the first one was related to investment income and why that wouldn't be offsetting some of the expenses. Is that right, Todd?

MR. SWITZER: Yes.

MS. BUTLER: Right, so originally when these policies were priced, we had an assumed investment income assumption, and as I mentioned that, you know, the current interest rate environment is at historical lows and that creates difficulty in achieving the original investment income rates that were used to price these policies, which is going to create some pressure on earnings from this product's perspective.

MR. SWITZER: Sure. And we saw that in 1991 interest was 5.5 percent being earned on the reserves and had, perhaps, detailed questions about the interest calc when we saw the sum total for the life, but I understand that 5.53, whatever, certainly hasn't held. We're just trying to look at it when interest rates were good and understanding that today they're not good, but appreciate that.

MS. BUTLER: Right. And then the other question, could you repeat that one? I want to make sure I understand it, Todd, what you're asking.

MR. SWITZER: Me or Jeff?

MS. BUTLER: This would be for you, Todd. I believe you had a second question.

MR. SWITZER: I was just curious if you care to share anything more about the wellness programs or the claims management solution, and we can pursue that separately, but if there is anything off the top of your head, I'd be interested.

MS. BUTLER: Right. And as I said, we're working with a number of different companies who were working to find innovative solutions to really help from an overall long-term care management perspective.

And the wellness initiative, in particular, I can comment on that one. That's focused on initiatives to help policyholders really stay well and help them be able to stay at home, which we know from feedback from policyholders and from others that policyholders really do want to stay at home as long as they can and stay well. So we're looking to -- we have been working with companies to help find ways to keep policyholders healthy and at home longer. So that's one example of an initiative that we have been partnering with.

MR. SWITZER: Great, thank you.

MS. BUTLER: And then, Jeff, you had a question on the experience to nationwide versus Maryland.

MR. JI: Yes.

MS. BUTLER: The rate increase is based on nationwide experience, but it's worth noting that we do, sort of, level set the historical experience to make sure it's all on Maryland basis, so-called consistent.

If we look at Maryland in isolation there has really not been much experience, so it's not as credible and that's why we typically look at nationwide when developing our rate increase requests.

MR. JI: Okay. Thank you.

MS. BUTLER: You're welcome.

MR. SWITZER: Any other questions?

(No response.) Okay, I'd like to invite

our last company and representative, Mr. Patrick Kinney, managing actuary and native Marylander. Mr. Kinney.

MR. KINNEY: Thank you, Todd. Can you hear me okay?

MR. SWITZER: Yes, thank you.

MR. KINNEY: Commissioner Redmer, Mr. Switzer, Mr. Ji, Administration staff and guests. Thank you for the opportunity to appear regarding our long-term care premium rate increase filing. My name is Patrick Kinney. I'm the Director of LTC Pricing at MedAmerica Insurance Company.

MedAmerica sold stand-alone long-term care policies nationwide from 1987 through early 2016. Although the company ceased sales at that time, we remain committed to provide promised LTC benefits to the nearly 100,000 people across the country, of which almost 400 are in Maryland, who rely on us to continue their coverage long into the future.

Adverse experience in policy persistency, morbidity and interest earnings threatens the financial health of the LTC industry. MedAmerica is a monoline long-term care company with no other insurance products to offset projected shortfalls from long-term care coverage. We believe that premium rate increases are necessary now to assure our ability to pay LTC claims in the long-term. We need to place our closed block LTC products on a sound financial footing for the future.

Today's hearing concerns our requested 15 percent premium rate increase on our so-called flex care individual LTC products issued in Maryland from September, 2012 through November, 2015. As of year end 2019, there are 50 individual Maryland policyholders who will be affected by the rate increase, if approved. I recognize that this may seem like a small block. Our approximately 5,300 flex care policies are distributed across 48 jurisdictions. Of these jurisdictions, 32 have fewer than 100 insureds and 17 have 50 or fewer. The Company is pursuing this rate increase request nationwide. As of today, we have submitted a rate increase filing in 32 states and have received an approval disposition in nine states.

This is our first nationwide rate increase request for the flex care policy forms. The Company updated its persistency experience study in 2018 and its morbidity experience study in 2019. The results of these studies showed that the expected lifetime loss ratio for flex care policy forms exceeds the moderately adverse experience scenarios priced into the product. Our projections of nationwide experience under these policy forms indicates the need for a rate increase varying by issue age and inflation protection, with individual increases ranging from zero to 50 percent. Under our nationwide rate request, the average increase for Maryland policyholders would have been 32.5 percent.

MedAmerica recognizes that annual rate increases are currently limited to a uniform 15 percent under Maryland regulation and have limited our request accordingly. The actuarial memorandum supporting our rate filing presents the experience analysis and projections justifying the full rate increases we believe to be necessary for illustrative purposes and for consistency with the information provided in other jurisdictions.

We feel that this transparency provides Maryland regulators with a more complete picture of the financial risk to the Company and the rate actions ultimately considered necessary to mitigate these risks. In response to objection requests, we have provided additional projections of both nationwide and state-specific experience at the 15 percent requested rate level as well as the full nationwide request.

MedAmerica will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. Furthermore, the Company is offering a contingent non-forfeiture, or CNF, benefit to all insureds affected by the rate increase so that a policyholder who lapses premium payments due to the rate increase remains eligible to receive some level of paid-up benefit in the future.

To help consumers navigate their options to continue premium payments, accept a reduced paid-up CNF benefit, or find a benefit reduction option that best suits them, our insureds are encouraged to call our toll-free customer service phone number. Because each policyholder is unique, MedAmerica works with each person individually.

MedAmerica takes pride in providing quality claim service to our insureds. 96 percent of claimants surveyed rate their experience with MedAmerica as above average or excellent and our average time to pay a claim is 6.4 days. We believe this service excellence is a critical component to fulfilling our promises and taking care of our insureds and we intend to continue providing this level of service going forward.

In closing, I'd like to reiterate that despite the fact that we no longer sell long-term care insurance, MedAmerica remains committed to delivering on all of our promises to our customers. Granting actuarially justified rate increases will help assure we have the financial strength to continue providing the benefits and service our insureds expect and deserve.

Thank you for your time and consideration. I'm happy to answer any questions at this point.

MR. SWITZER: Thank you.

So I see that with no increase the projected loss ratio for Maryland is 86.5 percent and you have indicated a needed increase of 32 and a half. So as asked previously to other carriers, if a multi-year rate increase were broached with you, would the Company be willing to talk about a rate lock of some kind after that?

MR. KINNEY: We have entertained a limited period of rate guarantee, or hiatus as you referred to it earlier, in other circumstances and we would be willing to consider that.

MR. SWITZER: Appreciate it. And just for the comment, I hear your point about 50 members being a little different in your circumstance, we just may want to talk to you about the fact that we see that, like, one of the 50 has facility-only, nine have no inflation, two have a one-year benefit period. We may just want to talk about those a little separately as an advanced notice.

MR. KINNEY: Okay. Thank you.

MR. SWITZER: Those are all my questions. Any other questions?

MR. JI: Yes, this is Jeff Ji.

My question is, the 32.5 percent rate increase in Maryland actually is higher than the nationwide average you are looking for or one of your response. So can you explain the reason for that?

MR. KINNEY: Yes, the nationwide level is varied by issue age and the presence of inflation or not in the policy. So when we looked at the people who purchased policies in Maryland versus nationwide they were younger and/or have higher inflation coverage, more of them had inflation coverage. So, yeah, nationwide, I believe, was 26.5 percent, but based on the issue ages in coverage in Maryland it worked out to 32.5.

MR. JI: Thank you.

MR. SWITZER: Any other questions?

(No response.) Okay, then, we will go to the consumers who expressed interest in speaking.

Is Mr. Kosterlitz on the line, please?

(No response.) Okay, Mr. Carter?

MR. CARTER: Yes, can you hear me?

MR. SWITZER: Yes, the floor is yours.

MR. CARTER: Okay. I appreciate the opportunity to speak to all of you. My name is Gary Carter, I'm a resident of Maryland and my wife and I purchased these policies from Continental Casualty Company designated P1-N0100 in 2000.

I think there was, if memory serves me correctly, a ten-year freeze on that, but since 2014 there has been a 15 percent annual increase in these policies, which is faster growth than any other consumer product. And during this period, I've noted as you quoted before, that Genworth showed a 4.4 increase in long-term care during daily rates in the Baltimore area.

I included a chart, which you may -- those of you who have received it on the board can see, is an expediential increase of 15 percent a year, which I assume this is going to go on forever, the 15 percent, and at some point these policies will become unaffordable. I realize that I have the policy that does have the inflation rider and lifetime guarantee.

Also, one of the things I think you alluded to earlier was that as the pool ages, you know, the rates are automatically going to go up. You know, I'm disappointed that when these policies were issued there weren't better looks at the future to realize that, you know, things -- that it was going to cost them more and unable to take action to that. But anyway, as this pool shrinks over a period of time, the need for premium increases are going to go up and somehow that seems wrong to me.

I had a couple of points else, as well, that I'd like to make. I didn't hear, or maybe it's not relevant, about any loss experience in Maryland and I wonder why these particular policies were stopped being issued very early on. You know, so that leaves, kind of, a small bundle of us to bear the brunt of this.

And I'm wondering why the company did this and did they know that, well, we can at least go back to the Insurance Commission and get rate increases to cover our problem, our mistakes that we made earlier, which I'm not too happy about.

Let's see. Also you were showing, asking about -- one of the Commissioners was asking about a rate lock and I'm interested in that, too. Why, you know, say there is a 15 percent increase over a number of years, why can't somewhere down the road that be stopped. Otherwise, it's just an unending increase of we just come back every year. And I'm interested in this carve-out option that you suggested, as well.

With that, I will finish. I would just say that I think that these rate increases are going to be burdensome to we policyholders and that it's eventually going to force people to take these lower benefits, which leaves a smaller pool to have the higher benefits and then there will be even more rate increase as for those. So it's kind of a self-fulfilling prophecy, if you will, from day one. That's my view of it. And with that, I'm finished.

MR. SWITZER: Thank you. This is Todd. Just a few responses.

One, recognizing that you have seen a series of 15 percent increases, we do not expect that to continue unabated and would be happy to communicate with you more about the specific experience behind your form number and status on the rate filing, if you're interested, in the interest of transparency and giving you all the information you would like to see.

When you mentioned a loss experience for your company without an increase, the company's projected 68 percent loss, including investment income over the life of the plan. As you heard earlier, we had some questions we'd like to understand better with the carrier about that number, but we can also give you that dollar amount if you're interested later, but that's what we're trying to balance. How much shouldering -- where that should be shared.

I also agree with your point, as was brought up earlier and it is something that we factor in, that we have had some companies, not one of the ones here today, where, you know, the high enrollment was -- it had dwindled down to a point where it was in the hundreds of members and trying to write the lifetime experience on a hundred members, I think at that point, as you point out, the numbers break down, it just can't be done and you can, quote/unquote, actuarially justify trying to get the numbers back toward original goals or in that direction, but there is a subjective aspect that is just as real as the actuarial justification.

That's what I have so far. And, again, please follow up. We are available in the Actuary's Office if we can be of any other kind of further help. These filings are under review, obviously, and in the context of what you pointed out, the company's prospective with the losses we just mentioned and the burdensome aspect of the fact the premiums have already increased by $1,300 for your company.

I'll stop there.

MR. CARTER: Well, mine have gone up more than -- my policy was higher than that and so it's even higher now, but anyway, how do I contact you? Just go onto the website, and you were saying, to get more information when it was available?

MR. SWITZER: Sure. We can follow up with you after that. I thought you had put your e-mail or your phone number on your letter.

MR. CARTER: Yes, I did.

MR. SWITZER: We can follow up that way if that's all right with you.

MR. CARTER: Yeah, I put the phone and e-mail, which is fine. Great.

MR. SWITZER: I'll contact you today.

MR. CARTER: Thank you.

MR. SWITZER: Certainly. Any other comments or questions from anyone?

(No response.) Okay, is Mr. Friedman on the line?

(No response.) Okay, one more try for Mr. Kosterlitz?

(No response.) Would anyone else like to speak at this time, please?

(No response.) Okay, before I turn it back over to the Commissioner, I'd just like to thank him for his activism and defending seniors in the long-term care market. As you know, he established these quarterly meetings and these dialogues and I'm personally very appreciative and wanted to make that known. So, Al?

MR. REDMER: Thank you, Todd. I appreciate those kind words and appreciate everybody for participating today. These are obviously challenging times and challenging decisions that we have to make and we're going to try to make the right ones.

With that, any final questions, comments?

(No response.) All right. Thank you, again, for participating and have a great day.

ALL PARTIES: Thank you.

(Proceedings concluded at 10:22 a.m.)

State of Maryland

City of Baltimore, to wit:

I, Susan M. Liebrecht, a Notary Public of the State of Maryland, Carroll 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 witness my hand this 22nd day of May, 2020

Susan M. Liebrecht, RPR

Notary Public

My Commission Expires:

September 8, 2021

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