

What Do They Know That You Don't?

How differently do Mutual Companies,
Fraternal Benefit Societies and Stock
Companies manage their LTC Blocks

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- Panelists
 - **Aaron Ball**
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New York Life Insurance Company
 - **Tim Kneeland**
President
Transamerica Long Term Care
 - **Susan Oberman Smith**
Chief Actuary and Vice President
Thrivent Financial
- Moderator
 - **Karen Smyth**
President
Omnia Professional Services LLC

Compare and Contrast



	Stock Companies	Mutual Companies	Fraternal Benefit Societies
Entities	CNO, Genworth, Transamerica	LifeSecure, MassMutual, Mutual of Omaha, New York Life, Northwestern Mutual, State Farm	Knights of Columbus, Thrivent Financial
Owners	Stockholders	Policyholders	Members
Dividends	Can pay shareholder dividends	Can pay product owner dividends	Can pay product owner dividends
Taxable?	Taxable	Not taxable -(return of premium)	Not taxable - (return of premium)
Maximize	Profits (which are measured quarterly)	Long Term Profits	Optimize Community Outreach/Service to Members
Solvency	Covered by Guaranty Associations	Covered by Guaranty Associations	Member Assessment Provision

Long Term Care Sales Comparison



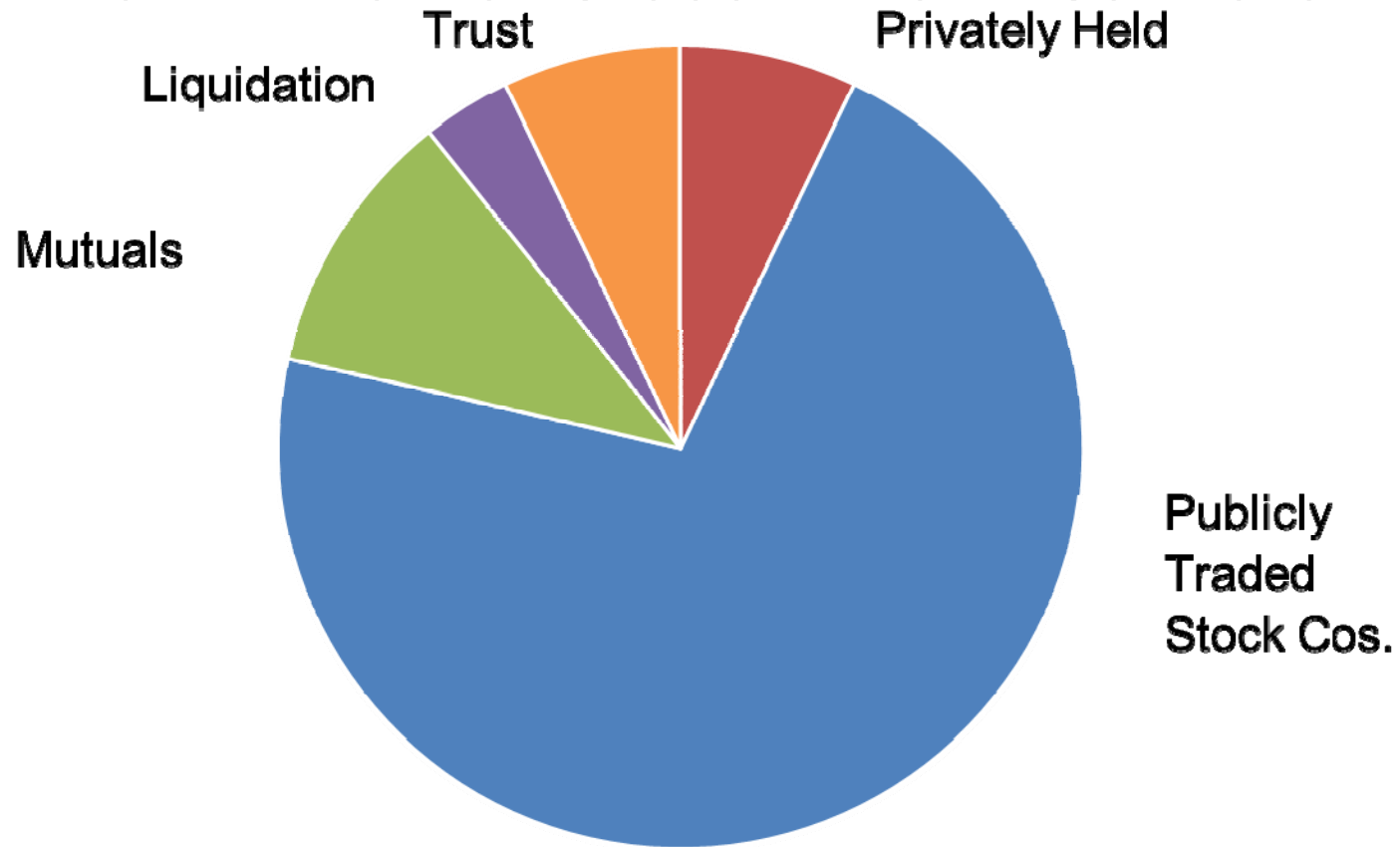
	2001	2010	2016
Public Companies	86%	72%	26%
Private Companies	2%	1%	<1%
Mutual Companies	7%	26%	66%
Fraternal Benefit Societies	4%	1%	7%

Data from LIMRA U.S. Long Term Care Insurance New Business Reports
Includes Individual, Multi-Life and True Group policies

Closed Blocks by Type of Carrier



Distribution of Closed Block Carriers

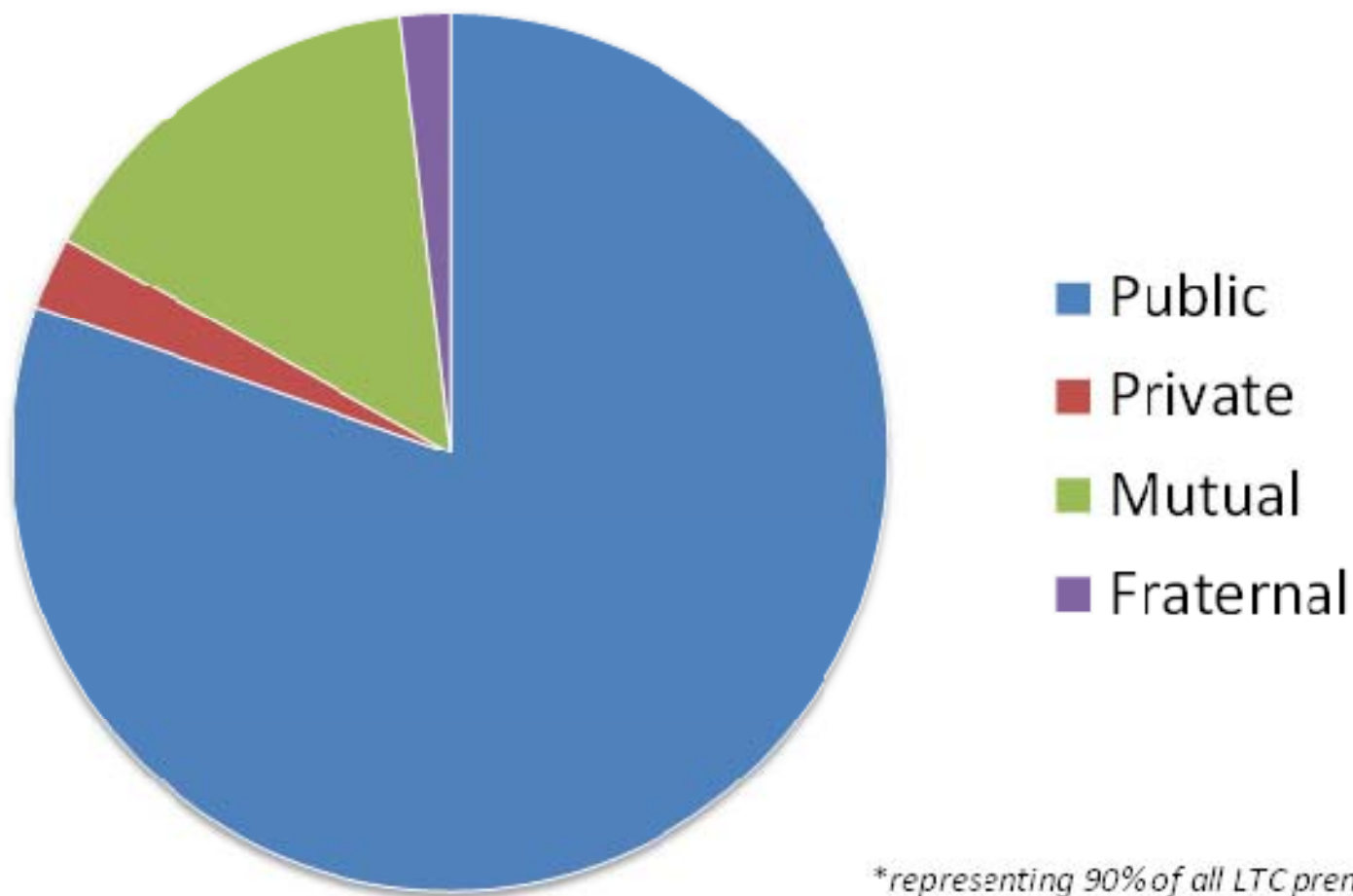


Closed Block Carrier Listing from Marc A. Cohen presentation "The Current State of the Long-Term Care Insurance Market," presented at 14th Annual ILTCI, updated

Distribution of Inforce Premium by Carrier Type



Distribution of In-Force Carriers by Premium*



* Data taken from the 2015 NAIC Long Term Care Experience Reporting Forms, then categorized

New York Life Mission Statement



- We are in the business of helping people set and achieve their financial goals, helping our clients build, protect and preserve their assets, and helping our associates secure their financial future.
- We conduct our services in the most professional manner, we analyze our client's needs and financial objectives, and we will develop a suitable financial solution, help them implement their plans and review and monitor the plan on a regular basis to ensure its success.
- We are in the people business and we are committed to excellence.



The Company You Keep®

Transamerica Mission Statement



To assist individuals and families achieve a lifetime of financial security



Thrivent Financial Mission Statement



- We are a membership organization of Christians, and our members are our owners.
- Our purpose is to serve our members and society by guiding both to be wise with money and live generously.
- We believe that all we have is a gift from God and that generosity is an expression of faith.
- We succeed when our members, their families and their communities thrive.



**THRIVENT
FINANCIAL®**

Connecting faith & finances for good.®



Why is your company in the long term care insurance business?





Is the management of the business different if you work for a stock company, a mutual or a fraternal benefit society? If so, in what significant way?





For a Fraternal Benefit Society, how does limited membership impact product performance?

Does it create an advantage or disadvantage?





How is the role of distribution different within the various types of companies?





What influence, if any, do you think the type of company has on the applicant as they evaluate where to purchase a long term care insurance policy?





In light of a recent long term care insurance company insolvency, can each of you comment on how your company analyzes solvency risk as you manage this business?





As you consider how insurance companies will tackle the question of how to develop products to cover the cost of long term care services and supports, what challenges or opportunities exist for a stock firm, a mutual company or a fraternal benefit society?





Do you foresee growth of combination products, hybrids, et al? If so, do you think this growth will come from one particular sector?

Thinking about principle based-reserves, will that be good or bad for hybrid products?



Questions?



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