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**Statement regarding HB5363, bill to ban gender when pricing long term care insurance premiums.**

Thank you for taking up the issue of gender based pricing of long term care insurance (LTCI). I have been an agent since 1998, specializing in long term care insurance sales. During nearly all those years, unisex pricing for LTCI was the norm. Since 2012, LTCI issuers have been replacing unisex priced plans with gender based plans. Gender pricing matches price with risk of utilization. As women tend to live longer than men, they have a higher incidence of policy utilization. Accordingly, under gender based premium pricing, women will pay more than men for the same coverage.

In my opinion, one might justify gender based pricing, if the income of men and women were equal and their wealth accumulation equal. But neither is the case. Gender based premium differences will force women to purchase less coverage than needed, or none at all. Gender based plans keep the burden for long term care on the State's shoulders with Medicaid.

As of March 3, 2014, here are gender based premiums for age 56, with 90 day elimination period, \$4,500 maximum monthly benefit and 5% compound inflation selected.

<u>Insurer</u>	<u>State</u>	<u>Benefit pool</u>	<u>Premium Female/Male</u>	<u>% higher</u>
John Hancock	PA	\$164,250	F \$5,443.30/ M \$3,556.70	53%
Mutual of Omaha	MI	\$162,000	F \$4,776.29/ M \$2,777.53	72%

Should this bill pass, there may be unintended consequences:

Firstly, some companies may choose not to offer long term care insurance in Connecticut, reducing competition.

Secondly, unisex premiums may be set too high to adjust for the risk. Unisex based plans today:

MedAmerica	CT	\$162,000	F \$3,453.91/ M \$3,453.91	0%
Northwestern Mutual	CT	\$162,000	F \$6,075.45/ M \$6,075.45	0%

Conversely, if insurers err in their estimation of future utilization and under price premiums, significant increases in premiums may happen decades out (whether unisex or gender based priced). To address this issue, I would like to propose an amendment to this bill:

**"All new long term care insurance plans shall be paid-up policies by age 90 or sooner. "Lifetime payment" shall be banned. New LTC insurance plans shall also offer a minimum of two earlier paid up payment choices at ages 65 and 85 years old."**

Thank you for your consideration.

Plan today to protect your tomorrows.

March 3, 2014