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NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS OF CONNECTICUT



Connecticut

68 Tarbox Street
Dedham, MA 02026

Phone: 888.266.4381
Hello@NAIFANE.org
www.NAIFANE.org

Insurance and Real Estate Committee

March 4, 2014

The National Association of Insurance and Financial Advisors of CT (NAIFA CT), is opposed to HB 5363, An Act Prohibiting Gender Discrimination for Long-Term Care Insurance Policies. HB 5363 seeks to unnecessarily prohibit insurers that issue long-term care policies from using gender for underwriting and rating of such policies. We urge you to allow the free market to work in the CT long term care market. Only Montana has such a unisex rating law which has resulted in higher rates penalizing all genders. Actuarial records allow an insurance carrier to allocate "real cost" policies fairly. This product is designed to help prevent further dependence upon the government by the older population.

Preventing a carrier from using statistical records to price this product fairly for the consumer, opens the door to an overall increased price structure, purely to support the integrity and lifeline of the product. That impact will have an adverse effect upon the older generation's dependence upon the government. Furthermore, HB 5363 seeks to make the gender prohibition reach back to existing in-force policies, policies that could be decades old. It does a similar reach back for policies regarding a non-forfeiture benefit. This 'reach back' approach is likely to have negative unintended consequences. It is important to not move forward with HB 5363.

Sincerely,

Jerry Flowers
Capital Brokerage
114 East Ave
Norwalk, CT 06851
Phone: 203-866-3535

Our Mission

The mission of the National Association of Insurance and Financial Advisors is to advocate for a positive legislative and regulatory environment, enhance business and