



HB 5442 An Act Concerning LTC Insurance Policy Premium Rate Increases

Statement of

America's Health Insurance Plans

Connecticut Insurance and Real Estate Committee Public Hearing

March 3, 2016

Chairmen Crisco and Megna and members of the Insurance and Real Estate Committee, America's Health Insurance Plans (AHIP) appreciates this opportunity to present written statement on House Bill 5442, "An Act Concerning Long-Term Care Insurance Policy Premium Rate Increases."

AHIP's members provide health and supplemental benefits to 200 million Americans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. Our industry processes millions of claims, eligibility requests, payments and other administrative and clinical transactions on a daily basis.

AHIP and our member insurers writing long-term care insurance appreciate and share the Committee's concerns with significant premium rate increases on long-term care insurance policies. House Bill 5442 requires companies filing premium rate increases that are 20% or higher to spread the increase over a period of not less than three years, in increments of not more than 7% in any single year. We have strong objections to limiting rate increases to 7% per year. We believe a better alternative is to continue to allow the Department of Insurance and companies to work together to determine a rate increase implementation schedule that would best serve policyholder interests while maintaining the financial solvency of the companies. For this reason, we urge the Committee to reject House Bill 5442.