



Testimony of Mike Klein, AARP Volunteer Advocate
In Support of SB 1046, An Act Concerning Long-Term Care Insurance
Insurance and Real Estate Committee, March 18, 2021

Senator Lesser, Representative Wood, Ranking Members, and Members of the Insurance and Real Estate Committee:

Thank you for the opportunity to submit testimony in support of SB 1046, An Act Concerning Long-Term Care Insurance. In 2007, a year after the passing of my wife and mother, within 4 weeks and me having a heart steint, I decided that I should purchase some Long-Term Care insurance. After shopping around, I landed on getting an LTC policy from John Hancock Insurance Company that also included the Connecticut Partnership Plan. The initial policy was for a 3-year benefit coverage, a \$235/day LTC and a Respite benefit, with a 5% daily increase every year. The total yearly premium was \$3,268.

In 2014, I received a letter saying that John Hancock asked the Connecticut Insurance Commission for a 16% rate increase and only received a 15% increase. To keep my premium the same, I could choose their optional rider of Restoration of Benefits and waiver the Home Health Care Elimination Period. If I want to keep the coverage I had, it would now be \$3,990/year. In 2015, another increase letter. Keep what I have, with another increase or change the benefit period to 2 years. I kept the 3 years coverage. In 2018 another increase, pay an increase to \$3980 or lower the inflation from 5% to 3.6%. I lowered the inflation clause and kept the same premium.

Now 2021, I am asked to go from a 3.6% Compound Inflation to a 2.5% Compound Inflation or change to a Paid-Up Policy and change the total coverage from nearly \$380,000 to \$68,300. I am keeping what I have and will be paying \$4,044 per year.

When will this stop? I decided to pay the increase rather than go any lower than that. I've noticed over the years when they've come to a get a rate increase that their letter is a cry out for help. The first time was, "we went to the state of Connecticut and we ask for a 16% increase and Connecticut only gave us a 15% increase".

This time, they have said that when they started selling these policies years ago, they didn't calculate that people would live longer, be healthier, or that the price of care will go up and up. I am stuck between a rock and a hard place. At the age of almost 74, if I look for a new LTC policy, the prices of premiums are ridiculous, yet my current policy is unaffordable if the premium keeps going up. I, like many others seeing these continued rate increases, might have to drop our long-term care insurance, and it feels like being up the creek without a paddle.

Please help bring relief to consumers and pass SB 1046.