The State of Connecticut Insurance Department lists the latest forty-one long-term care rate filings and their decisions about them. Insurance company rate request increases for 2020 were mostly double and triple digit. For example, Lincoln National Life Insurance requested a 30% increase and was approved for that amount. John Hancock requested a 68.3% average increase and was approved for a 10-15% increase. Finally, Brighthouse requested a 173% hike and received a 50% increase. In short, the companies highballed their requests and still received a draconian hike for their efforts.

The rate-request-state approval dance is far from a one-time occurrence. For example, a friend's Brighthouse Insurance policy received an 18% increase in 2017, a 37% increase in 2019, asked for a 173% increase in the fall of 2020 and, as noted above, received a 50% increase. I had to wonder if the numbers crunchers in the state got so carried away with the figures that they forgot that the numbers represented hardship for flesh and blood human beings.

Why are long-term insurance rates increasing? Companies give many excuses, including: their actuarial work failed to predict how long policy holders would live, their investments yielded anemic results in a low interest rate environment, their initial pricing was faulty. Whatever the reason, why are seniors bearing the brunt of their miscalculations?

I will hazard a guess that the real reason some insurance companies do this is because they can. Seniors are a vulnerable population. Many of them struggle with disabilities such as Alzheimer's and cancer, and aren't likely to fight back. Also, their age demographic doesn't make them apt to pick up and shop for another carrier, especially when they may be too old to qualify for another company's coverage. Most importantly, insurers do this because they want to price seniors out of the market, stop providing long-term coverage and move on to something more profitable. And insurers are succeeding. Seniors unable to keep up with the premiums are letting their policies lapse and walking away with little to no compensation after pouring thousands into insurance company coffers.

It's a different scenario for affluent policy holders, however. They'll hold their noses and pay the increases. It's the poor folks who worked second jobs, who sacrificed to come up with the money to pay for private long-term care insurance, who were proud to someday avoid going on public assistance, who will suffer. Nothing new—people with limited resources are an easy target.

Why is the state's Department of Insurance (DOI) appeasing the insurance companies? The short answer, aside from the enticements of lobbyists in the insurance capital of the world, is that the state doesn't want the insurance companies to become insolvent. If private long-term care insurance disappears, subscribers with medical disabilities, will have no choice but to enroll in Medicaid. But what was the DOI thinking in granting these outrageous rate increases? Do they really believe that insurance companies, once they receive their increases, will say, "Thanks, I'm good now?" Let's diplomatically say that's being naive.

Maybe the DOI was thinking, "We'll keep doing what we're doing—stick to the status quo. Let the next guy worry about it," like some of their brethren in Washington are wont to do. Sure, they'll succeed in helping the insurance companies avoid insolvency. But the seniors won't avoid it. When their health declines, and 70% of seniors 65 and over will experience cognitive or physical disability warranting long- term care, they'll have to enroll in Medicaid. Just the situation the DOI wanted to avoid all along.

To be fair, lawmakers have tried to respond to the excesses of the long-term insurance beast. In 2014 they enacted legislation that required insurers to spread increases of 20% over three years. Granted, that didn't place a cap on rates. It just spread them out. Big deal you say?

In the 2021 legislative session a bill has been proposed to cap long-term care rate increases to inflation for a three-year period. Also, the bill proposes organizing a consumer advocacy group. Let's see where it goes.

It's time for legislators to have compassion for the folks who voted them into office in the first place. It's time for the DOI to do "something different" or "think outside the box" for a change. If not, their greatest fear—bloated Medicaid rolls— will become a reality and there will be nobody but themselves to blame.