

# **MaCCRA - Support - Senate Bill 411 - Long-Term Car**

Uploaded by: Brocato, Barbara

Position: FAV



**Maryland Continuing Care Residents Association**  
**Protecting the Future of Continuing Care Residents**  
**The Voice of Continuing Care Residents at Annapolis**

**SUBJECT:** Senate Bill 411 - Long-Term Care Insurance - Premium Rate Increases - Restriction (Equity in Long-Term Care Insurance Premiums Act)  
**COMMITTEES:** Senate Finance Committee  
The Honorable Delores Kelley, Chair  
**DATE:** Wednesday, February 3, 2021  
**POSITION:** **FAVORABLE**

The **Maryland Continuing Care Residents Association (MaCCRA)** is a not-for-profit organization representing the residents in continuing care retirement communities (CCRCs). Maryland has over 18,000 older adults living in CCRCs. The principal purpose of MaCCRA is to protect and enhance the rights and financial security of current and future residents while maintaining the viability of the providers whose interests are frequently the same as their residents. MaCCRA SUPPORTS efforts to:

- Enhance: Transparency, Accountability, Financial Security; and
- Preserve existing protections in law and regulation for current and future CCRC residents statewide.

**On behalf of the Maryland Continuing Care Residents Association, we support Senate Bill 411.** As drafted, SB411 *“Prohibits a carrier from imposing a premium rate increase for a policy or contract of long-term care insurance in a year in which the carrier, or any entity with which the carrier is affiliated, pays a dividend, or comparable payment, to its shareholders or a bonus or benefit to any of the executive officers of the carrier or any entity with which the carrier is affiliated that is in addition to the contractually fixed compensation provided to the executive officers for certain services.”*

Continuing Care Retirement Communities typically operate a complex or campus where residents start in independent living and move to other levels of care as needed. CCRCs have assisted living, typically a memory-care unit, and skilled nursing if their health and mobility decline. CCRCs are classified into three types:

- Type A (“extensive contracts” including long-term care at no monthly fee increase in cost)
- Type B (“modified contracts”, including a limited amount of long-term care services at no monthly fee increase)
- Type C (“fee-for-service”; they charge much higher monthly fees to someone who moves to long term care (i.e. into the community’s assisted living or comprehensive nursing care facilities).

Many CCRC residents, particularly those that live in Type C facilities maintain LTC insurance. It is an important tool that allows residents to afford their accommodations and cover the care that is needed as they age in place. **We support efforts to limit and/or cap premiums on LTC insurance for seniors relying on the coverage and who often live on a fixed income.**

For these reasons we support Senate Bill 411 and ask for a favorable report.

**For further information please contact:**  
**Brocato & Shattuck at (410) 269-1503 or [barbara@bmbassoc.com](mailto:barbara@bmbassoc.com)**

# **TESTIMONY FOR SB0411 Equity in Long Term Care Insu**

Uploaded by: Plante, Cecilia

Position: FAV



**TESTIMONY FOR SB0411  
LONG-TERM CARE INSURANCE – PREMIUM RATE INCREASES – RESTRICTION  
(EQUITY IN LONG-TERM CARE INSURANCE PREMIUMS ACT)**

**Bill Sponsor:** Senator Kramer

**Committee:** Finance

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in favor of SB0411 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

We love this bill! It is simple and straightforward, but the level of protection for residents of Maryland is tremendous. Long-term care insurance companies prey on older residents. Long-term care rates, which had been steady for many years, have suddenly started to skyrocket. Insurance companies say it is because costs are skyrocketing, but in many cases, they are just gouging their customers.

This bill basically prevents the insurance companies from raising premiums in a year where they paid a dividend to their shareholders, or gave out bonuses above and beyond those contractually required. It is fair to the insurance companies and fair to the people who are already paying high premiums for long-term care insurance.

We support this bill and recommend a **FAVORABLE** report in committee.

**JT\_Trades\_Statement\_SB\_411.pdf**

Uploaded by: Karkhanis, Neal

Position: UNF



**Statement of  
American Council of Life Insurers  
America's Health Insurance Plans  
League of Life and Health Insurers of Maryland**

**Senate Finance Committee  
Public Hearing  
February 3, 2021**

Chair Kelley and members of the Senate Finance Committee, The American Council of Life Insurers (ACLI)<sup>1</sup>, America's Health Insurance Plans (AHIP)<sup>2</sup> and the League of Life and Health Insurers of Maryland, Inc. (League)<sup>3</sup> appreciate this opportunity to present our serious concerns with [Senate Bill 411](#), "Long-Term Care Insurance – Premium Rate Increases – Restriction (Equity in Long-Term Care Insurance Premium Act.)"

Our member insurers writing long-term care (LTC) insurance recognize and understand the Committee's concerns with significant premium rate increases on LTC insurance policies. We strongly feel the legislation does not appropriately address these concerns. We believe a better alternative is to continue to allow the Maryland Insurance Administration and companies to continue to work together to determine a rate increase implementation schedule that would best serve policyholder interests while maintaining the financial solvency of the companies. We urge the Committee to reject Senate Bill 411.

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<sup>1</sup> The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with approximately 290 member companies operating in the United States and abroad. ACLI advocates in state, federal, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, LTC and disability income insurance, and reinsurance, representing 94 percent of industry assets, 93 percent of life insurance premiums, and 97 percent of annuity considerations in the United States. Learn more at [www.acli.com](http://www.acli.com).

<sup>2</sup> America's Health Insurance Plans (AHIP) is the national association members provide coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

<sup>3</sup> The League is the state's only trade association representing insurers writing life and health insurance in Maryland. Since 1990, the League has worked with regulators and legislators to institute sound insurance policy to protect consumers and encourage a competitive market place.

Senate Bill 411 would prohibit a carrier from imposing a premium rate increase for a policy or contract of LTC insurance in a year in which the carrier, or any entity with which the carrier is affiliated, pays a dividend, or comparable payment, to its shareholders or a certain bonus or certain benefit to certain executive officers. Favorable company earnings are the ultimate goal of all businesses. Achieving positive earnings maintains a company's strong financing rating. This includes ensuring that a company has adequate reserves and capital to cover its obligations to all of its policyholders. LTC insurance products are monitored to ensure that a reasonable portion of lifetime premiums are used for benefits to policyholders as experience develops. LTC insurance is written on a guaranteed renewable basis which allows carriers to adjust premiums to reflect emerging experience. Rate increases result from adverse experience that may affect current or future returns so looking at only at a company's current financial standing is misleading.

We believe a better alternative is to continue to allow the Maryland Insurance Administration and companies to continue to work together to determine a rate increase implementation schedule that would best serve policyholder interests while maintaining the financial solvency of the companies.

In order to allow the Administration to continue its work, and for the reasons stated above, we strongly oppose the above noted legislation and urge an unfavorable report.

Thank you for the opportunity to comment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal line extending to the right.

Matthew Celentano  
American Council of Life Insurers  
America's Health Insurance Plans  
The League of Life and Health Insurers of Maryland