



---

## proposed draft legislation regarding ltc

1 message

---

**David Beers** <Dbeersfineart@outlook.com>

Wed, Feb 7, 2018 at 3:47 PM

To: "InsuranceRegReview.mia@maryland.gov" <InsuranceRegReview.mia@maryland.gov>

I would like to comment regarding

Title 31 Maryland Insurance Administration  
Subtitle 14 Long-Term Care  
Chapter 2 Long-Term Care Insurance - Premium Rates and Reserves  
[31.14.02](#)

This legislation seeks to establish rules for handling rate increases of ltc plans, specifically with respect to the options policy holders have to keep their insurance via paying more in premiums, reduce benefits to keep premiums the same or take another option using non forfeiture provisions. I believe it is too lenient with respect to insurers and too demanding of insureds. It essentially provides to insurers a "get well plan" for underwriting insurance plans poorly – enabling them to easily fix their financial errors on the backs of insureds. It fails to provide adequate protection to the insured and in fact penalizes them financially for making sound financial decisions that are designed to lessen their burden late in life on the public and their own families.

I have held in the past two ltc plans, one from Unum and one from CNA. Both have taken action without my knowledge to apply for rate increases to the appropriate state insurance commission. This application was done without public knowledge or hearing and the resulting rate approval granted by the state agency allowed the insurance company to dramatically raise rates. I could not keep both policies in force not only because of the significant rate hike, but also because I had no assurance whatsoever that more rate hikes were not soon forthcoming. In short, I lost the insurance with Unum and have managed, for now, to continue payments on the other plan.

After a year of lapsing my Unum insurance, I learned via my own research, that Unum was required by law to offer me a reduced benefit equal to the premiums I had paid in over the course of my policy owners ( approximately \$21,000). Had I not discovered that, I would not have requested them a new policy declaration page that stated my reduced coverage. I went I year or more thinking I had lost the coverage entirely and that my premiums were a waste. Had I taken ill, my family would never have known.

But that is not the worst of it. What is most troubling is that Unum had the benefit of my premium payments for MANY years and I anticipated the premiums paid were a good investment for the future in the event of illness. Unum made some poor assumptions in its underwriting. But, because of the plan worked out between them and the state insurance commissions to address this does not, in any way, penalize Unum and ONLY penalizes policyholders like me, it is unfair, unbalanced and devastating to policyholders. We bear the brunt of THEIR business mistakes. It seems unfair that they would not have to shoulder at least a portion of the financial burden for their errors!

Also troubling is that Unum and CNA worked silently to cut some kind of a back room deal with various state insurance commissioners to get their fix in. We, the public, knew nothing of their proposed rate hikes until the deed was done and we received the notice in the mail. That seems unfair and is as far a public agency can get from acting as a consumer advocate and servant on behalf of the taxpaying citizens of a respective state.

Today, I have a lifetime benefit from Unum equal to the premiums I paid in. Unum has had the benefit of collecting money from me for a long time, paid in dollars that were more valuable in exchange for paying out a fixed benefit to me, sometime in the distant future, in dollars that are worth less and less as time moves forward. You tell me: does that sound like a fair and equitable arrangement? Does it do much to protect the citizen?

I believe these LTC companies should not be allowed to make application for premium increases without first notifying all policyholders of the amount of the proposed increase, its implementation date and the agency that should be contacted to comment to. Public hearings should be mandatory. I also believe the non-forfeiture provision should include an option to get a partial to full refund of all premiums paid rather than simply a plan that has a benefit equal to the same. We paid in real dollars and we should get real dollars back if a rate increase is so egregious that policyholders cannot keep their plans in force. Finally, LTC plans should have a cap on the size of a rate increase, how often they can be granted and a max amount for the life of the policy should also be in place. This will allow policyholders to have a sense of predictability and stability with respect to their insurance costs, rather than the highly unpredictable and volatile situation we are currently experiencing.

This has been a nightmare. The appearance is that the insurance companies and the state insurance commissions have gotten very cozy in working through THEIR issues and have given no thought, none whatsoever, with the impact of their actions upon the citizens, taxpayers and policyholders. It is only an inch away from being criminal.

Sincerely,

David Beers