bev zukerberg <beverlyzukerberg@gmail.com> 7:08 PM (11 hours ago)

to me

This is ridiculous. The insurance companies are asking for another and continuous increases of 15% annually. They have to manage there business the same as all other businesses in the US do. In my company if we ask our customers for a 15% increase they would tell us they will buy elsewhere. There is no such thing as running your business so poorly that you need to run to the government to get you more money. The insurance commission should be embarrassed and ashamed of themselves for allowing this poor business practice to be foisted on the public. Maybe we have the best commission that money can buy. I wouldn't tell anyone I know that I was on the commission if I was you.
Shame, shame, shame. Screwing the people once again. Let the SOB's go out of business or learn to sell products at the correct price.

elliott levine **<elliottplevine@gmail.com>**

10:44 PM (8 hours ago)

to me, congressman.ra., jamie

Dear Ms Muehlberger,

I just learned of this event after receiving a cryptic and undated letter from Genworth last week saying that "MIA publishes information about proposed long term care insurance premium increases…"

So although I am submitting this question after after your cutoff date, I am hoping the commissioner or his representative can have this question addressed as I am unable to attend in person.

Last year when the last, large annual increase took place, Genworth provided several options for those unable to keep up with the full cost of the policy's new price. I felt that their proposed reduction options for keeping the policy active by either 1) doubling the number of days before policy activation, or 2) eliminating the inflation adjustment provision—were quite drastic.

As you are holding a hearing on their rate increase, I would welcome your review of their cutback options and have them justify their cost reduction options as a part of their cost increase proposal during your hearing.

Thank you in advance for initiating this request at this late date

Sincerely,
Elliott P Levine
7213 Old Stage Rd
Rockville, MD 20852

Cell: 240/606-6699

Maryland Insurance Administration
FEB 09 2018
RECEIVED

To: Nancy Muehlberger
Maryland Insurance Administrator
From: Harry M. Lambert

Re: Long Term Care Insurance

Twenty years ago, 1997, upon my retirement we purchased a Long Term Care (LTC) plan from CNA for my wife and myself for later life health protection. We only heard from CNA when our annual premiums came due. Recently those premiums have increased greatly.

I am 82 years old with a heart problem and my wife is 78 and diabetic. We felt confident our LTC plan would be available and affordable if and when needed.

However, on January 18, 2018 The Wall Street Journal ran a full page review "Safety Net Frays for Millions of Retirees — Reeling Long Term Care insurers boost rates!" The article describes how insurance companies were asleep at the switch.

Many insurance companies jumped into the LTC business seeing the possibility of a lucrative gravy train. Nursing home care was usually short term for past operation recovery, broken hips etc. Additionally the insurer found that many of the LTC plans were never utilized, a 100% savings for the Company.

Along came DEMENTIA! Longer stays in nursing homes, more expenses and less profit. Many insurance Companies have additional income from life insurance, auto, homeowners, liability etc. They should not be allowed to separate LTC losses from their overall income and expect to recover losses by exploiting existing policyholders.

The M.I.A. is exploring the possibility of a 75% increase in rates over four years. The insurance Companies want more!

Insurance companies have indicated that Consumers might accept alternatives in their LTC plan Coverages. This most likely would be reduction of the number of days covered. We have been paying for plan coverage for twenty years, never using it. It should not be tampered with.

Every year the State has a committee, Board of Public Works that considers requests from the school systems in the State for additional funds. This process has been labeled the annual "Begathon".

The LTC companies have their own yearly "Begathon" with the Maryland Insurance Administration. They try to bail out their poor planning, miscalculations etc.

The LTC companies that are still in business are for the most part not offering plans to new prospects. They are attempting to force out existing policyholders with exorbitant premium increases.

We urge the Maryland Insurance Administration to stand tall against this exploitation of policyholders.

The LTC Companies gambled and lost! They made their own bed. Now let them sleep in it. We older policyholders will soon be gone. The problems for LTC will soon be solved.

Sincerely
Harry M. Lambert
Virginia O. Lambert

518 Mallock School Rd.
Westminster, Md 21158
Phone: 443-974-1892

Copy: Governor Larry Hogan

FAX COVER SHEET

TO: NANCY MUEHLBERGER

FROM: IRVING P. COHEN IPCohen

Return fax number 301.847.9269

DATE: February 10, 2018

NUMBER OF PAGES INCLUDING COVER 4

FAX NUMBER: 410-468-2038

MESSAGE: I plan to attend the hearing on Monday, February 12, 2018. I am faxing you a copy of my remarks for the record.

#611
2001 Veirs Mill Road
Rockville, MD 20848-0611

MARYLAND INSURANCE ADMINISTRATION
COMMENTS HEARING
FEBRUARY 12, 2018
IRVING P. COHEN

The recent financial difficulties of General Electric with respect its long term care book of business are of interest as the inability of General Electric to pay any attention to a book of business it has pawned off on an unsuspecting purchaser raises significant issues. Long term policies it issued to Maryland policyholders were to be vetted by this Agency. Looking back in time if would be instructive to see if this Agency had properly understood and vetted the transaction. If not, then why not and what can we here today learn from the pitfalls that now threaten the viability of one of the icons of American industry?

This event also is a warning to this Agency that financial presentations by those it regulates must be taken with a very large grain of salt. It makes no difference how large or small the carrier is, or the size of their book of business. They must be vetted, they must be tested, and all questions fully answered. Furthermore, there must be accountability not only to the shareholders, but to the other stakeholders, including this Agency's public that is its mission to protect.

One cannot help but ask what would have been the consequences to those Maryland LTC policyholders if this book of business was not sold by GE almost a decade ago. More important do the Maryland LTC policyholders have any exposure to increased premiums due to contractual arrangements flowing from the transaction giving such grief to GE shareholders. In the GE situation we have before us a full banquet table of incompetence, if not worse before you.

I have looked at the Agency's files for the policies that I own where 15% increases commonly always awarded. Nothing in the public file gave me any confidence that the review was anything other than a rubber stamp. I saw precision little correspondence questioning assumptions or models or inquiries as to different approaches.

Accordingly, unlike petitions in the utility business where all the data is available to all to see and regulators question financial decisions of the utility and disallow costs the utility want to flow over to its rate base for rate setting purposes, here there is a black box hiding important information from the public; and perhaps even from the Agency if questions are not asked challenging the actuarial work or suggesting other assumptions that might provide different result. An individual policyholder cannot afford experts to take apart the rate increase request and to question its conclusions. We must depend on this Agency to find the request granted is reasonable and in furtherance of its statutory mission to protect the policyholder.

I now want to continue my objection to the failure of the Agency's to fully adopt policies that protect LTC policyholders. It is my understanding that the legislation effective June 1, 2017 requires this Agency to provide on its website information regarding factors to be used in determining the LTC premium rate increases.

This continues to suggest that policy issues regarding who is to bear the risks and rewards of policy design, performance, and actuarial results with respect to the economic elements of the structure of the policy need to be clearly identified and communicated to the carrier, the policyholders and the public in general.

I have not seen any such discussion of these policy issues in any of the materials that I have seen. All I have ever seen is a discussion of claims ratios, actual and projected as justification for premium increases. If I have overlooked such policy statements by the Agency, please call them to my attention.

What should be abundantly clear is that at most claim ratios, actual or projected, are or should be only one data point in a multitude of data points. The performance of management in creating, investing and managing reserves, the accounting for merger and other structural changes with respect to the LTC policies are other factors.

The current approach seems to view the policyholder as the only source of funding for the future. This is inherently wrong. Once the policyholder purchases the LTC policy and pays its premium, the policyholder has lost control of all the factors that are wrapped up in the policy design. The carrier now controls most of the financial factors, yet it is not called to task for its error, mismanagement or any other factor. The only goose that seems to be able to provide any gold is the policyholder.

As an example, my family has paid premiums since 1997 that aggregate way over $100,000. At ages 77 neither my wife nor I have ever filed a claim. Our current premiums are in excess of $17,000 annually; and then only because we agreed to reduced benefits and cancelled the inflation increases going forward. These funds according to the carrier are still insufficient to provide sufficient reserves now or in the future. Accordingly, it appears that for the rest of our lives we face 15% premium increases compounded annually. Accordingly, the premiums will double in five years and in 10 years produce a premium of $68,000. Living on a rather fixed income, clearly that is not affordable.

What is the likely outcome here? Even though I have "invested" over a hundred thousand dollars, I have to walk away from those funds. Maybe from the "goodness" of their stone hearts, I will be able to let the carrier retain the funds and they will payout benefits equal to the aggregate premiums (not including interest) I have paid. As of today private nursing home daily rates are in the $350 range and increasing at least at 1.5% compounding annually. Hence, in ten years that is almost a $410 daily rate. So my $100,000 buys about 240 days of care less than one full year.

However, I was sold a life time benefit policy by the carrier. The carrier has by sleight of hand transferred ALL THE RISK TO THE POLICY HOLDER. I am faced with letting the LTC terminate for nonpayment of the premium, or accept a pittance compared to the contract I was purchasing. To add insult to injury the carrier is now free of all liability, takes my premium payments plus 30 years of earnings --telling me to file for Maryland Medicaid once my assets are spent down. This is precisely the risk I was spending my hard earned money on annual premiums now in excess of $100,000 to avoid when the LTC was purchased in 1997.

SOMETHING IS WRONG WITH THAT PICTURE!!

The phrase bait and switch comes to mind.

Tell me and others how this Agency has protected us.

Where was this Agency looking after the structure of the policies and the allocation of risk inherent in the LTC policies?

Has the Agency ever questioned the administrative or sales cost allocated to LTC policies?

Has this Agency ever conducted any audit of the financial data provided to it?

Has this Agency ever questioned the compensation of senior executives or the payment of dividends or allocable expenses to the carrier's affiliated companies?

If not—why not?

As far as this LTC policyholder is concerned something is terribly wrong and this Agency has been out to lunch as we were being abused.

PO Box 611
2001 Veirs Mill Road
Rockville, MD 20848-0611

Jim Kasab <jimkasab@comcast.net>

Jan 12 (4 days ago)

to me

Dear Ms. Muelinberger,
As you can see in the enclosed letter John Hancock has continued to increase our rates from $1598.38 and $2323.79, 2012
to 2017 $2795.59 and $4064.33 for a Total of $6859.92 annually with no change in benefits.

James H. Kasab
8112 Rayburn Road
Bethesda, MD 20817-3822
Refs: Policy [redacted]
Policy [redacted]
July 29, 2013
John Hancock Long-Term Care
1 John Hancock Way, Suite 1700
Boston, MA 02217-1700

Dear Representatives,

On June 11, 2013, your company mailed us a notice that our Long -Term Care rates might increase. One month later on July 19, 2013 you mailed us our annual bill for the accounts noted above. The bill represented a 15 percent increase in Policy [redacted] and slightly more than 15 percent in Policy [redacted]. Not even a 45 day notice was provided.

We recognize that you have the right to increase our premiums as long as it is an across-the-board increase. However, in the policy literature you provided us, you made the comment "you might experience a 10 percent premium increase" , which refects that your current increases are out of line.

Because of these large increases without any additional benefits, we would like some premium relief, and at a minimum a freeze to any future increases.

Sincerely,

James H Kasab Anne S. Kasab

Copy:
Maryland Insurance Board
200 St. Paul Place Suite 200
Baltimore, MD 21202
Attn: Ms. Mary Kuei

No freeze in our rate and it appears that our 2018 bill be exceed more than twice what we signed up for.

Thank you,

James H, Kasab
301.229.4868

Joie Davis <joie6458@gmail.com>

5:39 PM (13 hours ago)

to me

I have chronic increasing concern about the continuing cost of my LTC premiums. I truly understand that people are living longer and the cost of caring for this population is increasing but there has got to be another way to deal with this. What is the cost of a new policy to a 50 y/o today? At 50, my cost was $1500/yr when I had a very good income and now as a retiree on a fixed income the premium is over $3000/year and rising. Why aren't the younger, wage earning population paying the high cost now to get reduced premiums when their income is less? I'm always asked if I want to reduce my services or increase my deductible to make the premium more palatable and the answer is always a resounding NO. I want the services I thoughtfully and carefully chose for myself 20 years ago. What did my inflation guard fee go for?

I know I'm one of many and I'm sure many have to reduce their services or terminate their policy all together. It doesn't seem right when a person is thinking futuristically so that there is a plan in place to provide for their care. They should be told when you retire and your income is between $2-3000/month your premium will be more than you are earning.

Thank you
Mary Jo Davis

Buddy **<buddymillerdds@verizon.net>**

Jan 14 (2 days ago)

to me

Dear Ms. Muehlberger,

We are writing to you regarding extreme increases in the premiums for our Long Term Health Insurance. We were notified about the scheduled hearing in March 2018 and since we cannot attend, we want to express our feelings and concerns about this matter.

We purchased LTC Insurance from John Hancock in July 2002. We chose John Hancock because they came highly recommended as being a solid company. The plan was explained to us and we discussed the premiums. At that time, we were told that any increases in premiums would be more or less related to inflation and "cost of living". Sadly, this has not been our experience.

In the last couple of years, our premiums have risen by 15% each year!! We are both retired and living on fixed incomes. This was not factored into our budget planning and is quite unsettling. We contacted Hancock about this. Their answer & solution to the problem was... "we can reduce your benefits to lower your premium cost". WHAT !!!!   That is not a solution but rather a very callous response.

We wish to express our dissatisfaction with this situation and with this company. Hancock is a large, multidimensional company with many successful departments. Their stock in the last few years indicates the strength of the company. We do not understand the necessity of such drastic premium increases except as a way to gouge their loyal and existing customers. We feel that as customers for the past 16 years, we are being penalized.

We appreciate your bringing this information to the attention of the hearing committee. Please contact us if you would like/or need any additional information.

Thank You,

Judy & Walter Miller
11213 Broad Green Drive
Potomac, MD 20854

From: Margene Versace <margenev@hotmail.com>
Sent: Tuesday, January 16, 2018 1:09 PM
To: MDInsuranceAdmin@public.govdelivery.com; longtermcare.mia@mrylnd.gov
Cc: Melissa Barnickel
Subject: Long Term Care Insurance premium rate increases

I received a letter dated January 8, 2018 from my insurance carrier, John Hancock Financial Services. It referred me to a website where I could find information on: "...*information on numerous long-term care insurance topics including information on proposed long-term insurance premium rate increased*."

I am a widowed senior on a fixed income and would like to offer my thoughts on a proposed premium increase for my John Hancock Long Term Care Insurance. Even though the premium was somewhat of a struggle, I bought this policy in 2007. There was a major (in my opinion) increase in the premium some years back that forced me to pare down my coverage. Now there is another proposed increase of up to 15%!!! That puts many seniors in a vulnerable situation! We are "stuck" because we really can't afford such an increase...yet to let the policy go would be losing a great deal of money as well as the peace of mind of knowing we won't be a burden to our children. Paring down benefits again would compromise the policy I had work so hard to get and maintain. I am hoping that those in control, be they senators or delegates or insurance administration leaders, communicate and work together to find alternatives that won't put such a hardship on vulnerable senior citizens that worked hard to provide for their last years.
Thank you,

Margene Versace
311 Tiree Court Unit 401
Abingdon, MD 21009

MARYLAND

longtermcare mia -MDInsurance- <longtermcare.mia@maryland.gov>

Brighthouse Long Term Care

2 messages

Morty <mortyz@aol.com> Sun, Feb 4, 2018 at 4:00 PM
To: longtermcare.mia@maryland.gov
Cc: Alan Meltzer <ameltzer@meltzer.com>, Emily J Harner <emily.harner@nfp.com>, Chris Romano <cromano@meltzergroup.com>

Dear Ms.Muelberger:

I have received letters regarding our Long Term Care Insurance from Brighthouse Financial and Brighthouse has notified me of the hearing on February 12 on Rates. Originally my wife Cynthia B. Zetlin, DOB June 25, 19[redacted]. Policy # [redacted] and I, Morton J. Zetlin, DOB January 16, 19[redacted], Policy # [redacted] purchased our long term care policies from The Travelers Insurance company approximately 20 years ago. Travelers subsequently sold these policies to Met Life who more recently formed the new Brighthouse Financial Company which is now the insurer and biller. In the past there have been reasonable rate increases to the semi-annual premiums, but in the past five to ten years the increases have been beyond unreasonable. I am in my Florida home at 128 Orchid Cay Drive, Palm Beach Gardens, FL 33418 which is my legal resident address. My policies were issued when I was a resident of Maryland, first at 9813 Woodford Road, Potomac, MD from 1978 to 2009 and we have a Spring & Summer residence now since 2009 at 12500 Park Potomac Avenue, Unit 505 N. Potomac, MD 20854. We are legal residents of Florida since 20006.

I am writing you since you are having the hearing on Long term Care that I cannot attend since I do not return until May, but I wanted to give some input. I do not have my policies with us in Florida so I do not have the initial semi-annual premium amounts for either my wife or me, but I think the annual increases go way beyond the inflation in the past 20 years. The last few years my premiums have risen to over $10,000 semi-annualy and my wife's is approximately $6,000 and I sincerely believe it to be outrageous and unconscionable. Even after the billing comes for the 15% increase, there comes another "offer" to increase another $1,000 for an "inflation" factor on the daily *benefit* of the amount paid. In other words, there is a voluntary option for yet another increase.

I have been a good, law abiding citizen my entire life. I even volunteered to serve in the US Army during the Korean conflict for three years and always pay my bills and my taxes promptly. I am able to afford these increases, but what about other elderly people, who are on a limited income who can't afford these outrageous increases year after year? Do they have to gamble that if they don't pay these premiums that they will die before they need to claim? I really think in all sincerity that these companies be investigated rather than just get a hearing on further increases. These companies made substantial profits on these policies for years and invested them well, but when insurance companies make what turns out to be a bad investment they want the people who have been pouring money into this coverage to take the loss. It just isn't fair.

I would be happy to speak to anyone interested about this issue. I may be reached on my cell: 301-580-0759 or by e mail at MortyZ@ASCMB.com

Morton J. Zetlin
128 Orchid Cay Drive
Palm Beach Gardens, FL 33418

Meltzer, Alan <ameltzer@meltzer.com> Sun, Feb 4, 2018 at 5:29 PM
To: Morty <mortyz@aol.com>
Cc: "longtermcare.mia@maryland.gov" <longtermcare.mia@maryland.gov>, Emily J Harner <emily.harner@nfp.com>, Chris Romano <cromano@meltzergroup.com>

Thanks

Sent from my iPhone
[Quoted text hidden]

their designee, please notify the sender immediately by return e-mail and delete all copies.

Registered Representative of and securities offered through MML Investors Services, LLC, Member SIPC and a MassMutual subsidiary. Transactions may not be accepted by e-mail, fax, or voicemail

Richard Clarke
5846 Irish Creek Road
Royal Oak, MD 21662
Rainproof.clarke@gmail.com
February 3, 2018

Ms. Nancy Muehlberger
200 St. Paul Place
Suite 2700
Baltimore, MD 21202

Subject: Long-Term Care Hearing Comment.

Dear Ms. Muehlberger:

In 2003 my wife and I started Long Term Care Insurance (LTCI) from the John Hancock firm. That firm's product seemed best to us and had a good reputation. We started LTCI after seeing the unhappy experience of her parents seeking care as their health declined. At the time I was 57 and my wife was 58. We wanted to arrange a way to make things easier when we inevitably entered declining health and would need care. The LTCI fee was significant but affordable, especially considering the potential need. The table, below, shows the history of my annual payments to John Hancock….those for my wife were somewhat higher due to her being a year older than I am.

YEAR	Annual fee	Percentage of original fee
2003-2012	$1621.48	100%
2013	$1864.70	115%
2014	$2144.41	132%
2015	$2068.64	128%
2016-2017	$2378.94	147%

Note that in 2013 the annual fee started to increase. In that year, John Hancock informed us that our fees were increasing. They said that they were seeking a 100% increase, but that Maryland was permitting less; John Hancock's stated intent was to increase about 10% per year until they had their 100% increase in fee.

Our choices were:

1. to drop the coverage, something we did not want to do. It would put us in the same sorry situation my wife's parents had found themselves.
2. to reduce the fee by reducing our coverage.
3. to pay the stated fee.

Until 2015 we chose to pay the full, increased fee. In 2015 we made a reduction in coverage by shortening the period that benefits would be paid. It was a compromise and a bit of a gamble on our ultimate problems as we aged. The fee reduction was not large. As you see, the annual fee continues to increase. No other insurance product we have is increasing as this product is.

As the fee was going up, I asked our investment advisor if he had any other options. His research indicated that the John Hancock LTCI product was the best available. He also indicated that all the companies offering LTCI were pushing the price up. His opinion was that the insurance industry did not want to continue the product and the large increases in fees were meant to discourage consumers from obtaining or continuing LTCI. I don't state that as a fact, but I do relate that as a concern.

My wife and I now are in our 70s and retired. The need for long term care surely is closer, but we both remain in good health. The annual fee for each of us has become a large pill to swallow each year, being nearly $5,000 total for us.

I see that there is to be a hearing on the LTCI subject. I urge the hearing officers to consider the consumers as well as the insurance industry. The history and trend of the fees is important to our family, and probably to anyone else who carries this coverage. I hope that the hearing officers critically look at insurance industry claims and arguments. Please understand that I do not consider our experience with John Hancock to be any different from any of the other firms. I'm asking that the hearing consider this from the standpoint of all the vendors, not just this one.

Sincerely,

Richard Clarke

Sally Leimbach CLU®, ChFC®, CEBS, LTCP, CLTC
Senior Long Term Care Insurance Consultant
One East Pratt Street, Suite 902
Baltimore, MD 21202
410-659-3702 *Direct Dial*
sally.leimbach@tribridgepartners.com
www.tribridgepartners.com
Baltimore - Bethesda - Frederick – Hagerstown - Washington DC

From: Sally Leimbach
Sent: Thursday, February 8, 2018 1:45 PM
To: Adam Zimmerman -MDInsurance- (adam.zimmerman@maryland.gov) <adam.zimmerman@maryland.gov>
Cc: Melissa Barnickel (melissa@baygroupinsurance.com) <melissa@baygroupinsurance.com>; Ed Hutman (ed@baygroupinsurance.com) <ed@baygroupinsurance.com>
Subject: LTCI Rate Increase Request by LifeSecure

Adam

The Maryland LTCI Roundtable want to bring information to the attention of MIA regarding the above request that will be heard at the next Rate Increase Hearing that I believe is scheduled for 2/12/18 at MIA Headquarters from 10 am to 1 pm. (Please correct me if I am wrong). If you are not the correct/best party to receive this information, please forward on.

We have read the request and would like to point out the following:

LifeSecure is a relatively new LTCI product that should have benefited from the past experiences of the LTCI marketplace when pricing their product and providing the underwriting criteria for qualifying for the product. The policies affected were issued in Maryland between 2010 and 2014. The rate increase said by the actuary to be warranted runs from 21% to 92%, although the request in Maryland is 15% per MD cap. However, it is stated that future rate increases will probably be requested to meet eventually the "warranted" increases. The reasons given are sited in #3 of the LifeSecure request; "The rate increase is necessary because the current expectations regarding assumptions for morbidity and terminations is worse than the original pricing assumption".

We question how an insurance company initiating into the LTCI marketplace as recently as LifeSecure could have used such erroneous assumptions. Particularly, low termination assumptions for LTCI policies have been common knowledge for many years. What assumptions did LifeSecure use and what morbidity table?

For this request there are 143 policies at risk for rate increases. It is not the amount of insureds, but being sure that insurance companies are not being excused for past mistakes and/or poor business decisions they should not have made.

Please be aware that LifeSecure has sold many more then 143 policies from their next policy series which included at least the employees of one municipality in Maryland. We suspect that there will be coming in the foreseeable future a rate increase for this policy form. This form stopped sales in Maryland and the rest of the US last Fall when, as I understand,because so many policies had been sold that the company becameuncomfortable with their reserves if more policies were sold. Now we understand that LifeSecure has been approved to begin sales in the Spring on yet a third policy series. The initial rates will be higher than the second policy series but how much is not known to us.

Thank you for seeing that this information will get to the proper person/s to be considered at the next MIA LTCI rate increase hearing. If I need to do more to assure this, just let me know and I will.

Thank you again!

Sally

Sheila Blum **<sheilablum2@gmail.com>**

Feb 10 (2 days ago)

to me

I strongly object to rate increases which retired seniors like ourselves find it very difficult to manage. This is true for other types of insurance as well. Thank goodness for Medicare but our Supplemental insurance premiums are constantly raised. “Landing places” for LTC insurance and other types of insurance simply means an undesired reduction in coverage as a trade-off for a lower increase in premiums. I’m often skeptical of claims by insurance companies as to the need for rate increases. The MIA is supposed to act in the best interests of the citizens of Maryland, and I expect you to do so.

Sincerely,
Sheila Blum

FROM STANLEY C DAY JR CONCERNING LONG TERM HEALTH INSUREANCE

BRIGHTHOUSE POLICY# [redacted]

This is a copy of a complaint that I registered with the Maryland Insurance Administration on June 16, 2017. MIA File Number 117567-L-2017-LNB-C. Attached is the reply from Brighthouse on July 12, 2017 to this complaint. I had to accept the lowest cost and change my policy to 5 years and reduce benefits.

It sounds like they are going to apply again for another increase in premium. This is unacceptable burden on people like me. There should be a limit on how much an insurance company can increase premium on a long-term insurance. If they have to make adjustments to the cost, it should be on new policies.

REASON FOR COMPLAINT

I have already invested $38,917.22 into this policy. If I cancel the policy I will lose all that money. They have sent me adjustments that I can make. The lowest cost option they provided me when the premium was $809.44 was $472.93. This option would reduce benefit from unlimited to 5 years and reduce the daily benefits from $229.00 to $183.00. If they keep increasing the premium by 15% each year this option will be up to $827.16 in 4 years.

This premium has increased over 17 years from $462.80 to $809.44 right now which is a 74.9% increase. If there is another 15% increase in September 2017 the premium will increased over 100%

I am 77 years old and on a fixed income. I simply cannot afford to pay $809.44 a month (or an addition increase to $930.86 a month). I do not understand how they can keep increase the premium when it obvious that this is a burden on an older person who only has this insurance for a possible need. I feel they are trying to recover from losses by putting a heavy burden on older people, so we will give up the policy and they can pocket the money or reduce coverage.

I signed up for the Long-Term Care Policy with Travelers Insurance Company on September 1, 1999. The premium was $925.60 in quarterly payments of 462.80 for the year 1999.

From 1/2000-9/2005 the premium was $1851.20 in quarterly payments of $462.80.

On September 2005, the premium was increased by 15% ($69.42) to $2128.88 in quarterly payments of $532.22. Note that this was after 5 years.

In May 2006 MetLife Insurance Company took over Travelers.

The premium remained at $2128.88 in quarterly payments of $532.22 until September 2011. On September 20011, the premium was increased by 15% ($79.84) to $2448.24 in quarterly payments of 612.06. Note this was after 6 years.

The premium remained at $2448.24 in quarterly payments of 532.22 until September 2015.

On September 2015, the premium was increased by 15% ($91.81) to $2815.48 in quarterly payments of $703.87. Note this was after 4 years.

On September 2016, the premium was increased by 15% (105.57) to $3237.76 in quarterly payments of $809.44. Note this is 1 year.

On April 2017, I received a letter telling me that MetLife is now Brighthouse Life Insurance Company.

I was told that they are increasing the premium again on September 2017 and I will get a notice by June 23. I assume it will be 15% again which will increase my cost by $121.42 to a yearly premium of $3723.44 with quarterly payments of $930.86.

Stanley C Day Jr. standay1714@comcast.net 1714 Sams Creek Road, Westminster, MD 21157

410-635-6456

Terrance Wilson <amish234@comcast.net>

1:03 PM (19 hours ago)

to me

My policy number is [redacted] Terrance M Wilson, 2679 Fairfield CMN, Chico, Ca95918

John Hancock is GOUGING us SENIORS. As a senior and a veteran these guys at JH are ripping us off! And POTUS will help them.

Flipper <schnauzer2020@yahoo.com>

10:20 PM (8 hours ago)

to me

Ms. Muehleberger,

As a policy owner of a long-term care policy, I write with a sense of urgency regarding rate hike requests by several carriers. I did the responsible thing and purchased a policy while in my 40s, advised that purchasing early would keep my costs down. I have yet to use the policy, thankfully, however it has increased at least twice, despite assurances otherwise Yes I heard the stories of longer life expectancy and unexpected rising costs...however.. insurance companies are the best estimators...that's their job. They have actuaries at their disposal to figure these things out. Their errors in expectations should not become my problem to solve. Everyone knows that retirement brings less dollars into the household...from where would that extra money come to pay these higher rates. They should not be reward for their mistakes. Tired of these companies privatizing profits and socializing losses!

Thank You
Yvette Jardine

if you are neutral in situations of injustice, you have chosen the side of the oppressor -- Desmond Tutu

Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, MD 21202

ATT: Commission Al Redmer

RE: Long-Term Care premium increases

Dear Commission Redmer:

I work for Anne Arundel County Public Schools and purchased a Long-Term Care policy through UNUM in June 2003 covering myself and my husband. We are childless, not by choice but by nature. We bought our policy thinking this was a good way to make sure we had coverage for our care in our old age.

At the time we started paying premiums on June 11, 2003, I was 41 and my husband Andrew was 34. The chart below shows the progression of our premiums on a bi-weekly and monthly basis as well as total paid.

TABLE 1: TOTAL COST TO DATE OF PREMIUMS WE PAID THOUGH JANUARY 17, 2018

FROM	TO	# PAYMENTS (PAY PERIODS)	# MONTHS	AMOUNT PER PAY (26 PAYS)	AMOUNT PER MONTH	% increase	TOTAL PAID
June 2003	December 2013	275	127	$66.64	$ 144.39		$ 18,326.00
January 2014	December 2016	78	36	$76.80	$ 166.40	15%	$ 5,990.40
January 2017	December 2017	26	12	$88.06	$ 190.80	15%	$ 2,289.56
January 2018	December ?	2	1	$101.17	$ 219.20	15%	$ 202.34
	TOTALS	**381**	**176**				**$ 26,808.30**

* June 2003 through December 2017 total was $26,605.96 (referenced in Table 3)

For 275 pay periods, 127 months, 10.5 years, our rates never moved.

In the past 4 years (106 pay periods or 49 months), we have had 3 rate increases. Our premiums are 52.8% higher than they were when we started. As a policy holder, this is obscene and we are forced to consider why such increases are permitted. Are insurers using current policy holders to fund their lack of forecasting for poor economic performance, their lack of adequate forecasting of claims for the policies they were underwriting, or worse, is this is a convenient way for insurers to add to their bottom line while avoiding responsibility for their poor decision making?

In an effort to understand how rate increases happen, we reached out to the Maryland Insurance Administration and understand from staff in the Long-Term Care Division that current law permits insurers to file for rate increases **<u>up to 15% every year</u>**. I find that mindboggling. It was also shared that some insurers want 100% increases but they are capped at 15%. A small comfort but still alarming.

As Table 2 illustrates, if premiums increase at 15% per year, the policy is unsustainable. By 2052, when I am 90 and Andrew is 83, we will have to pay $25,384.47 monthly ~ **a whopping total of $305,613.66 a year!** We don't make that kind of money now as our combined gross salary. Our retirement income will not suffice. Certainly our bank and retirement accounts are not earning 15%. With interest rates barely breaking 0.10 - 0.30% per annum on savings accounts, how can rate increases of 15% be justified?

TABLE 2 – GROWTH OF PREMIUMS AT 15% INCREASE PER YEAR STARTING 2018 THROUGH 2052

PERIOD	YEAR	ANNUAL CHANGE	BI-WEEKLY PREMIUM	MONTHLY PREMIUM	ANNUAL PREMIUM	RUNNNIG TOTAL OF PREMIUMS PAID SINCE 2003
1	2018	15%	101.17	219.20	2,630.42	29,236.38
2	2019	15%	116.35	252.09	3,025.10	32,261.48
3	2020	15%	133.80	289.90	3,478.80	35,740.28
4	2021	15%	153.87	333.39	4,000.62	39,740.90
5	2022	15%	176.95	383.39	4,600.70	44,341.60
6	2023	15%	203.49	440.90	5,290.74	49,632.34
7	2024	15%	234.01	507.02	6,084.26	55,716.60
8	2025	15%	269.11	583.07	6,996.86	62,713.46
9	2026	15%	309.48	670.54	8,046.48	70,759.94
10	2027	15%	355.90	771.12	9,253.40	80,013.34
11	2028	15%	409.29	886.80	10,641.54	90,654.88
12	2029	15%	470.68	1,019.81	12,237.68	102,892.56
13	2030	15%	541.28	1,172.77	14,073.28	116,965.84
14	2031	15%	622.47	1,348.69	16,184.22	133,150.06
15	2032	15%	715.84	1,550.99	18,611.84	151,761.90
16	2033	15%	823.22	1,783.64	21,403.72	173,165.62
17	2034	15%	946.70	2,051.18	24,614.20	197,779.82
18	2035	15%	1,088.71	2,358.87	28,306.46	226,086.28
19	2036	15%	1,252.02	2,712.71	32,552.52	258,638.80
20	2037	15%	1,439.82	3,119.61	37,435.32	296,074.12
21	2038	15%	1,655.79	3,587.55	43,050.54	339,124.66
22	2039	15%	1,904.16	4,125.68	49,508.16	388,632.82
23	2040	15%	2,189.78	4,744.52	56,934.28	445,567.10
24	2041	15%	2,518.25	5,456.21	65,474.50	511,041.60
25	2042	15%	2,895.99	6,274.65	75,295.74	586,337.34
26	2043	15%	3,330.39	7,215.85	86,590.14	672,927.48
27	2044	15%	3,829.95	8,298.23	99,578.70	772,506.18
28	2045	15%	4,404.44	9,542.95	114,515.44	887,021.62
29	2046	15%	5,065.11	10,974.41	131,692.86	1,018,714.48
30	2047	15%	5,824.88	12,620.57	151,446.88	1,170,161.36
31	2048	15%	6,698.61	14,513.66	174,163.86	1,344,325.22
32	2049	15%	7,703.40	16,690.70	200,288.40	1,544,613.62
33	2050	15%	8,858.91	19,194.31	230,331.66	1,774,945.28
34	2051	15%	10,187.75	22,073.46	264,881.50	2,039,826.78
35	**2052**	15%	**11,715.91**	**25,384.47**	**304,613.66**	**2,344,440.44**

To date we have paid UNUM $26,808.30. When we bought the policy, we fully analyzed what we were getting into. Using 2052 as a benchmark, when I will be 90 and Andrew 83, if our rates had stayed at $66.64, we would have paid $77,235.76. It was money we were willing to risk when we signed up even if we **never** needed the insurance.

This is what annoys us the most. Insurance is a game of risk. Given the choice, and LTC insurance is a choice, do we take on the risk or does an insurance company? The decision was always either 1) we set aside the $66.64 a month and create a fund that will help us if we are incapacitated, or 2) pay UNUM that amount to assume the risk. If they can get a 15% increase every year, this is no longer a game of risk, it's a flat-out fleecing. It's usurious. It's unconscionable.

As taxpayers and consumers, it should be something that the Maryland Insurance Administration is guarding against. The actuarial tables in June 2003 should have taken the risks into consideration so that excessive premium increases would not be levied. In fact, if run like other businesses, the risk would be shared as new clients bought policies and helped absorb the new realities of underwriting long-term care policies in the current marketplace.

Instead, the three increases levied since January 2014 cost us $1,418.46 in additional premium through January 17, 2018. On an annual basis, instead of paying $1732.64 a year ($66.64 per pay), we now have to pay 2,630.42 per year ($101.17 per pay), an increase of $897.78 per year. Long-term (assuming no further increases), instead of spending the $77,235.76 we forecast through 2052, we are now at $116,141.41, an increase of $38,905.65.

For what? Nothing has changed with our situation since we bought the policy. We made payments on time. We have made no claims. We have not changed gender or genetics or other socio-economic factors. What changed in our situation to change the actuarial tables this much?

But let's take this to the extreme. **If UNUM can achieve at 15% increase every year, we are now facing a total potential outlay of <u>$2,344.440.44</u> by 2052** (see Table 3 – last page)**.**

What bothers us most is that for over 10 years there was no rate increase. UNUM collected $18,326. We were on track based on our forecast and analysis. We fell into a comfortable lull that our decision in June 2003 was sound, the rates were stable and we had coverage if we needed it. Now all that has changed and we are nearly $30,000 poorer as a result.

So, we need to ask the Maryland Insurance Administration, what rights do we, as Maryland tax-payers and LTC consumers, have to stem the tide of rate increases? Is it possible to expect that we can get back to a steady state of no increases. Is it your recommendation that we should just reconsider this policy and turn our back on our premiums paid after giving UNUM $29,236.38 by the end of December 2018? **We really need to know now.** Is 15% a year, or even 15% every five years to be expected? If rates were to only increase 15% every 5th year (2018, 2023, 2028, 2033, etc) our total premiums would still be $172,159.16 but not $2,344,440.44 million by year 2052. Instead of $304,613.66 a year, it would be $6,084.26. Not great but we are trying to understand what to expect. See Table 3.

I would appreciate a response in writing to my questions posed above. In addition, I am copying Nancy Muehlberger so that my letter and charts can be treated as written comments submitted for the February 12, 2018 public hearing regarding rate increase requests by Long-Term Care Insurance Carriers operating in Maryland.

Sincerely,

Kathleen R. Orndorff *Andrew R. Orndorff*

cc: Nancy Muehlberger
Maryland Insurance Administration

Jessica Cuches, Esq.
Executive Director of Human Resources
Anne Arundel County Public Schools

TABLE 3 - RATE COMPARISON BETWEEN A 15% A YEAR PLAN AGAINST A 15% EVERY 5 YEARS PLAN

		15% INCREASE PER YEAR					15% INCREASE EVERY FIVE YEARS				
PERIOD	YEAR	ANNUAL CHANGE	BI-WEEKLY PREMIUM	MONTHLY PREMIUM	ANNUAL PREMIUM	Total Premium since 2003	ANNUAL CHANGE	BI-WEEKLY PREMIUM	MONTHLY PREMIUM	ANNUAL PREMIUM	Total Premium since 2003
June 2003 to present						26,605.96					26,605.96
1	2018	15%	101.17	219.20	2,630.42	29,236.38	15%	101.17	219.20	2,630.42	29,236.38
2	2019	15%	116.35	252.09	3,025.10	32,261.48	0	101.17	219.20	2,630.42	31,866.80
3	2020	15%	133.80	289.90	3,478.80	35,740.28	0	101.17	219.20	2,630.42	34,497.22
4	2021	15%	153.87	333.39	4,000.62	39,740.90	0	101.17	219.20	2,630.42	37,127.64
5	2022	15%	176.95	383.39	4,600.70	44,341.60	0	101.17	219.20	2,630.42	39,758.06
6	2023	15%	203.49	440.90	5,290.74	49,632.34	15%	116.35	252.09	3,025.10	42,783.16
7	2024	15%	234.01	507.02	6,084.26	55,716.60	0	116.35	252.09	3,025.10	45,808.26
8	2025	15%	269.11	583.07	6,996.86	62,713.46	0	116.35	252.09	3,025.10	48,833.36
9	2026	15%	309.48	670.54	8,046.48	70,759.94	0	116.35	252.09	3,025.10	51,858.46
10	2027	15%	355.90	771.12	9,253.40	80,013.34	0	116.35	252.09	3,025.10	54,883.56
11	2028	15%	409.29	886.80	10,641.54	90,654.88	15%	133.80	289.90	3,478.80	58,362.36
12	2029	15%	470.68	1,019.81	12,237.68	102,892.56	0	133.80	289.90	3,478.80	61,841.16
13	2030	15%	541.28	1,172.77	14,073.28	116,965.84	0	133.80	289.90	3,478.80	65,319.96
14	2031	15%	622.47	1,348.69	16,184.22	133,150.06	0	133.80	289.90	3,478.80	68,798.76
15	2032	15%	715.84	1,550.99	18,611.84	151,761.90	0	133.80	289.90	3,478.80	72,277.56
16	2033	15%	823.22	1,783.64	21,403.72	173,165.62	15%	153.87	333.39	4,000.62	76,278.18
17	2034	15%	946.70	2,051.18	24,614.20	197,779.82	0	153.87	333.39	4,000.62	80,278.80
18	2035	15%	1,088.71	2,358.87	28,306.46	226,086.28	0	153.87	333.39	4,000.62	84,279.42
19	2036	15%	1,252.02	2,712.71	32,552.52	258,638.80	0	153.87	333.39	4,000.62	88,280.04
20	2037	15%	1,439.82	3,119.61	37,435.32	296,074.12	0	153.87	333.39	4,000.62	92,280.66
21	2038	15%	1,655.79	3,587.55	43,050.54	339,124.66	15%	176.95	383.39	4,600.70	96,881.36
22	2039	15%	1,904.16	4,125.68	49,508.16	388,632.82	0	176.95	383.39	4,600.70	101,482.06
23	2040	15%	2,189.78	4,744.52	56,934.28	445,567.10	0	176.95	383.39	4,600.70	106,082.76
24	2041	15%	2,518.25	5,456.21	65,474.50	511,041.60	0	176.95	383.39	4,600.70	110,683.46
25	2042	15%	2,895.99	6,274.65	75,295.74	586,337.34	0	176.95	383.39	4,600.70	115,284.16
26	2043	15%	3,330.39	7,215.85	86,590.14	672,927.48	15%	203.49	440.90	5,290.74	120,574.90
27	2044	15%	3,829.95	8,298.23	99,578.70	772,506.18	0	203.49	440.90	5,290.74	125,865.64
28	2045	15%	4,404.44	9,542.95	114,515.44	887,021.62	0	203.49	440.90	5,290.74	131,156.38
29	2046	15%	5,065.11	10,974.41	131,692.86	1,018,714.48	0	203.49	440.90	5,290.74	136,447.12
30	2047	15%	5,824.88	12,620.57	151,446.88	1,170,161.36	0	203.49	440.90	5,290.74	141,737.86
31	2048	15%	6,698.61	14,513.66	174,163.86	1,344,325.22	15%	234.01	507.02	6,084.26	147,822.12
32	2049	15%	7,703.40	16,690.70	200,288.40	1,544,613.62	0	234.01	507.02	6,084.26	153,906.38
33	2050	15%	8,858.91	19,194.31	230,331.66	1,774,945.28	0	234.01	507.02	6,084.26	159,990.64
34	2051	15%	10,187.75	22,073.46	264,881.50	2,039,826.78	0	234.01	507.02	6,084.26	166,074.90
35	2052	15%	11,715.91	25,384.47	304,613.66	2,344,440.44	0	234.01	507.02	6,084.26	172,159.16