



TESTIMONY

Chrystal Bartuska, Division Director

House Industry Business and Labor Committee

March 17, 2025

Good morning, Chairman Warrey and members of the committee. My name is Chrystal Bartuska and I am the Life/Health/Medicare Division Director with the North Dakota Insurance Department. I am here today in support of Senate Bill 2172.

The Insurance Department regulates long term care insurance policies and recently we have received numerous complaints regarding claims not being paid on these policies. We are finding through the complaint process that some insurance companies are making it difficult for consumers to receive the benefits they have not only been promised but have been paying for over potentially twenty plus years. It is very frustrating for these consumers since they maintain these policies for a long period of time, pay the rate increases over the years and then when they try and utilize the benefits they are denied.

These policies are unique in that they are what we consider lifetime policies with a very long contract period. Most insurance is renewed annually, but with long term care policies they are purchased and then potentially sit for decades before benefits are needed. Most of the issues we are seeing are from policies that were purchased thirty to forty years ago in the 80's and 90's and now they are trying to utilize those benefits many years later. The market, facilities and definitions in the policies have changed drastically over that timeframe.

The bill narrows the requirement of claim payments if a consumer is residing in basic care facilities. North Dakota is unique in that we have basic care facilities due to our rural nature and also have facilities with different sections or wings that treat different needs of patients. What we are finding is that companies are focusing on the facility

type instead of the benefits needed under the activities of daily living and cognitive impairment. Former Commissioner Pomeroy issued a bulletin back in 1991 when basic care facilities came into play in North Dakota. Commissioner Godfread re-issued the same bulletin in 2023 to reiterate the importance of evaluating a claim based on the medical need and not solely on the facility the consumers are residing in. However, we have received pushback on those bulletins and therefore, this bill seeks to codify the concept in order to give the department a bit more regulatory power to ensure the consumers get the benefits they have been paying for over the years.

We worked with Senator Patten on this bill and thank him for bringing this bill forward and therefore we respectfully request a “do pass” recommendation from the committee on SB2172 and I am happy to take any questions.