



STATEMENT OF THE AMERICAN COUNCIL OF LIFE INSURERS

Before The
House Industry, Business and Labor Committee

March 3, 2021

Senate Bill 2253 – An Act to Provide for a Legislative Management Study Relating to Long-Term Care Insurance

Chairman Lefor and members of the House Industry, Business and Labor Committee, I am writing on behalf of the American Council of Life Insurers (ACLI) regarding Senate Bill 2253, which would direct the legislative management committee to study the long-term care insurance marketplace in North Dakota.

ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry and its consumers. Ninety million American families rely on life insurers to protect their financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, and reinsurance as well as supplemental benefits such as dental and vision plans.

As introduced, Senate Bill 2253 would have imposed a three-year moratorium on the sale of long-term care insurance in the state while the issue was studied. ACLI appreciated the opportunity Senator Mathern gave us to express our concerns with the moratorium, which ultimately was deleted from the bill in the Senate Industry, Business and Labor Committee before the study bill now before you passed the Senate.

ACLI respectfully recommends that if this Committee decides to support a legislative management study of the long-term care insurance marketplace, the study should consider the volume of existing research on the long-term care insurance marketplace that has recently been conducted. For the Committee's convenience, attached to this statement please find a list of several such research materials and studies.

Mr. Chairman and members of the Committee, thank you for the opportunity to provide these written comments.

Respectfully submitted,

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Recent Studies on the Long-Term Care Insurance Marketplace

[Bipartisan Policy Center](#) –

- Report and analysis by Milliman, Inc. on financing long-term services and supports, including improvements to private long-term care insurance.
- <https://bipartisanpolicy.org/report/financing-long-term-services-and-supports/>

The [Milken Institute](#) –

- Collaboration currently taking place on a research project to evaluate the most pressing barriers to effectively meeting the LTC needs of Americans.
- Examining the predominant issues surround the LTC market, including pricing, data modeling, and market forces impacting the future of LTC.
- Market Scan: Future of Long-Term Care amid Current Landscape of Barriers and Opportunities.
- <https://milkeninstitute.org/reports/market-scan-future-long-term-care-amid-current-landscape-barriers-and-opportunities>

The [SCAN Foundation](#)

- Partnered with [AARP](#) and [LeadingAge](#) to fund a data analytics and economic modeling completed by the [Urban Institute](#) and [Milliman, Inc.](#) to complete high-level insurance concepts for long-term care financing.
- “Microsimulation Analysis of Financing Options for LTSS”
Older adults face a significant risk of developing chronic health problems and becoming unable to perform basic tasks on their own. In 2011, 7.7 million adults ages 65 and older received help.
https://www.thescanfoundation.org/media/2019/10/nov_20_revised_final_microsimulation_analysis_of_ltss_report.pdf
- “Premium Estimates for Policy Options to Finance Long-Term Services and Supports”
Evaluation of policy options under modifications to the existing private LTC insurance market, and new voluntary LTC insurance programs, which could be structured as public or private.
- https://www.thescanfoundation.org/media/2019/08/milliman_report_-_premium_estimates_for_policy_options_to_finance_ltss.pdf
- “Learning from New State Initiatives in Financing Long-Term Care Services and Supports” – <https://www.ltsscenter.org/wp-content/uploads/2020/07/State-LTSS-Financing-Full-Report-July-2020.pdf>
State Long-Term Care Reform Proposals in California, Hawaii, Maine, Michigan, Minnesota, and Washington.

[Genworth's Cost of Care Study](#)

Highlights the cost of various types of care.

[Center for Insurance Policy Research](#)

The State of Long-Term Care Insurance: The Market, Challenges and Future Innovations
https://www.naic.org/documents/cipr_current_study_160519_ltc_insurance.pdf?12



Financial Security for Life

[AARP Public Policy Institute](#) –

- “Disrupting the Marketplace: The State of Private Long-Term Care Insurance, 2018 Update”
- Looks at who buys LTC insurance, the types of LTC products currently available, and the costs and benefits of LTC insurance.
- <https://www.aarp.org/content/dam/aarp/ppi/2018/08/disrupting-the-marketplace-the-state-of-private-long-term-care-insurance.pdf>

California Department of Insurance Website provides publicly available rate increase histories, <http://www.insurance.ca.gov/01-consumers/105-type/95-guides/05-health/01-ltc/rate-history-active.cfm>

Society of Actuaries – various studies including:

[Long-Term Care and the Middle Market Sizing the Opportunity for New Ways to Finance Long-Term Care](#)

[Long-Term Care Intercompany Experience Study](#) - Aggregate Database 2000-2016 Report

August 12, 2020