

1.26.2021

Chairman Klein and members of the Senate Business and Labor Committee

My name is Tim Mathern. I am the Senator from District 11 in Fargo.

I introduced SB2253 regarding long term care insurance policies sold in North Dakota and regulated by the Office of the ND Insurance Commissioner.

As a legislator I periodically hear complaints about this type of insurance. Generally, the complaint is that a family buys the insurance to protect their assets. They later learn the premium increases beyond their capacity to make the payment. The policy then lapses, the family has transferred their assets to the insurance company, and they have nothing to show for it. These increases are sometimes in the 100% or more per year.

Section 1 of the bill places a moratorium on the sale, solicitation, and negotiation of these policies, essentially pausing this aspect of insurance products for a study and product development time. Section 2 suggests an interim legislative study of the long-term care insurance market which is to include members of the insurance industry. Section 3 sets a sunset of the law to be July 31, 2021.

There is a need for such insurance. In fact years ago I was involved in promoting such a product to support estate planning for families and to reduce the Medicaid budget. However, the ensuing problems need to be addressed. I went to the Insurance Commissioner at the request of a citizen upon his frustration that the insurance premium rates seemed impossible to be kept in check. Upon learning that unsavory past policies or that some companies keep selling problematic policies could not be addressed on a case by case basis I worked with the Insurance Commissioner to come up with this bill.

Others are here to testify, and I particularly ask you to listen to Dr. Dan Rice who has researched this matter, the Insurance Commissioner, and other advocates of the senior citizens. I have also spoken with industry officials and their lobbyists who will no doubt testify. If you have a way to separate the bad actors from the good actors in the insurance industry, please amend the bill accordingly.

My goal is to protect ND consumers, support ways to pay for long term care, and to find a way for the Insurance Commissioner to have the tools to end the sale of products that lead people down a path of being taken advantage of. Please vote yes on SB 2253.