



**Statement of
American Council of Life Insurers
America's Health Insurance Plans
League of Life and Health Insurers of Maryland**

**Senate Finance Committee
Public Hearing
February 3, 2021**

Chair Kelley and members of the Senate Finance Committee, The American Council of Life Insurers (ACLI)¹, America's Health Insurance Plans (AHIP)² and the League of Life and Health Insurers of Maryland, Inc. (League)³ appreciate this opportunity to present our serious concerns with [Senate Bill 411](#), "Long-Term Care Insurance – Premium Rate Increases – Restriction (Equity in Long-Term Care Insurance Premium Act.)"

Our member insurers writing long-term care (LTC) insurance recognize and understand the Committee's concerns with significant premium rate increases on LTC insurance policies. We strongly feel the legislation does not appropriately address these concerns. We believe a better alternative is to continue to allow the Maryland Insurance Administration and companies to continue to work together to determine a rate increase implementation schedule that would best serve policyholder interests while maintaining the financial solvency of the companies. We urge the Committee to reject Senate Bill 411.

¹ The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with approximately 290 member companies operating in the United States and abroad. ACLI advocates in state, federal, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, LTC and disability income insurance, and reinsurance, representing 94 percent of industry assets, 93 percent of life insurance premiums, and 97 percent of annuity considerations in the United States. Learn more at www.acli.com.

² America's Health Insurance Plans (AHIP) is the national association members provide coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

³ The League is the state's only trade association representing insurers writing life and health insurance in Maryland. Since 1990, the League has worked with regulators and legislators to institute sound insurance policy to protect consumers and encourage a competitive market place.

Senate Bill 411 would prohibit a carrier from imposing a premium rate increase for a policy or contract of LTC insurance in a year in which the carrier, or any entity with which the carrier is affiliated, pays a dividend, or comparable payment, to its shareholders or a certain bonus or certain benefit to certain executive officers. Favorable company earnings are the ultimate goal of all businesses. Achieving positive earnings maintains a company's strong financing rating. This includes ensuring that a company has adequate reserves and capital to cover its obligations to all of its policyholders. LTC insurance products are monitored to ensure that a reasonable portion of lifetime premiums are used for benefits to policyholders as experience develops. LTC insurance is written on a guaranteed renewable basis which allows carriers to adjust premiums to reflect emerging experience. Rate increases result from adverse experience that may affect current or future returns so looking at only at a company's current financial standing is misleading.

We believe a better alternative is to continue to allow the Maryland Insurance Administration and companies to continue to work together to determine a rate increase implementation schedule that would best serve policyholder interests while maintaining the financial solvency of the companies.

In order to allow the Administration to continue its work, and for the reasons stated above, we strongly oppose the above noted legislation and urge an unfavorable report.

Thank you for the opportunity to comment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal line extending to the right.

Matthew Celentano
American Council of Life Insurers
America's Health Insurance Plans
The League of Life and Health Insurers of Maryland