

October 3, 2017

Jessica Altman  
Chair, NAIC Senior Issues (B) Task Force  
Acting Insurance Commissioner  
Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

RE: Proposed Revisions to *A Shopper's Guide to Long-Term Care Insurance*

Dear Acting Commissioner Altman:

I am writing on behalf of the National Association of Health Underwriters (NAHU), a professional association representing more than 100,000 licensed health insurance agents, brokers, general agents, consultants and employee benefit specialists. Our association greatly appreciates the work of the National Association of Insurance Commissioners Senior Issues (B) Task Force to update *A Shopper's Guide to Long-Term Care Insurance*, as well as your willingness to accept comments on the proposed revisions.

NAHU has thousands of members who work on a daily basis to help individuals meet their long-term care insurance needs, and these members use the current version of the *Shopper's Guide* routinely with their clients. Our association has a working group of members dedicated to long-term care insurance concerns, and this group of licensed long-term care producers welcomed the opportunity to thoroughly review the proposed revisions to the *Shopper's Guide*. The following comments on the draft document reflect their collective expertise.

Overall, NAHU members find the *Shopper's Guide* to be a helpful resource for their clients and a decent business tool. Certain long-term care clients respond well to the worksheet segment of the *Shopper's Guide* and both agents and clients often use the glossary and list of state-level agency contacts for reference. To make the guide more practical and relevant to today's consumers and their licensed advisors, though, NAHU suggest the development of an abbreviated version of the *Shopper's Guide* as well as the full-length version. Our members have observed that some consumers are turned off and intimidated by the current length of the guide, preventing them from reading it. A shorter version could be a way to hit the major points in a very accessible way, but also point consumers to the longer version as a full source of information.

Another way to make the *Shopper's Guide* even more helpful and easier for consumers and licensed agents and brokers to use would be publishing it electronically in segments that can be broken out and distributed separately if needed. NAHU suggests that the workbook pages, glossary and state resources that currently span pages 34-62 of the *Shopper's Guide* be separated and published as distinct appendices.

To make the guide more appealing to today's long-term care buyers, NAHU members suggest some stylistic enhancements to the material. We would like to see that the images used in the guide, particularly the front cover, more accurately reflect today's younger and more diverse long-term care insurance shoppers. Also, NAHU suggests that the NAIC consider including more infographics, charts and tables as alternatives to straight text. Licensed long-term care insurance agents are constantly presenting the resource material in the current *Shopper's Guide* to purchasers, and they believe that consumers would respond well to more visual representations of the *Guide's* most complicated material, particularly with regard to statistics.

NAHU members also have some specific recommendations to make the guide more reflective of the long-term care products commonly sold today and more relevant to the consumers they work with daily. Our suggestions are intended to enhance the information in the guide to reflect questions commonly posed to long-term care agents by consumers.

On page four of the guide, there is a section specifically addressing Medicare's coverage of long-term care services and its significant limitations. To make this section even more meaningful to buyers, NAHU suggests that this section be expanded and address both Medicare supplemental policies and traditional private major medical insurance. Consumers often come into the long-term care insurance purchasing process with preconceived and inaccurate notions about what their supplemental policies might cover. Furthermore, many long-term care purchasers are not yet Medicare-eligible and may be confused about what their current group and individual major medical policies will cover relative to long-term care needs.

Page six of the draft *Shopper's Guide* includes a section labeled "Will I Need Long-Term Care?" NAHU recommends including data about various types of cognitive issues and dementia and the increasing incidences of these conditions. In the experience of NAHU members, consumer awareness and direct or indirect personal encounters with these difficulties and their prevalence is the single largest reason for current long-term care insurance demand.

A section on life insurance and annuities begins on page 10 of the guide. NAHU suggests the addition of language encouraging consumers to be sure to read what constitutes a claim and how claims procedures relative to these policies actually work. Many contracts that combine life insurance or annuity products with benefits that can be accessed at the time of a long-term health issue are not actually long-term care benefits. Instead they may provide

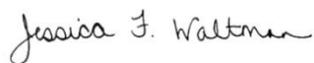
chronic care benefits and have more restrictions and internal charges at the time of a claim. Consumers should be encouraged to review and consider such nuances in policy terms. On pages 16 and 17, there is a section titled “What Services Aren’t Covered (Exclusions and Limitations).” This section states that exclusion of mental health and nervous system issues that are not Alzheimer’s disease is common. That statement may have been accurate when the *Shopper’s Guide* was originally written, but NAHU members note that statement is not reflective of most policies sold to consumers today.

With regard to references to inflation protection in long-term care policies, to reflect current product and buying trends, NAHU members suggest highlighting three percent versus five percent as an example. If inflation protection is sold, these two levels are what buyers purchase or consider purchasing. Specifically, on pages 21-22 of the *Guide*, the inflation examples should be no greater than five percent. NAHU recommends using one percent, three percent and five percent as reference points if three levels of protection are needed to illustrate the point.

Finally, on page 27 there is a chart highlighting sample premium and benefits. This chart uses policies with six and eight years of benefits, as well as a policy with lifetime benefits. NAHU members report that three- and five-year benefit periods more accurately represent policies consumers purchase today. Furthermore, NAHU members suggest a review of the accuracy of the sample rates used in the *Guide*. Many variables impact rates for all consumers. Also, since the *Shopper’s Guide* was published initially, carriers have switched to sex-distinct rates, which create a wide gap between male and female rates. This should be reflected in the revised *Guide*.

NAHU sincerely appreciates the opportunity to provide comments on the proposed revisions to *A Shopper’s Guide to Long-Term Care Insurance*. If you have any questions or need more information, or if you would like to speak or meet with NAHU members who work on these issues daily for additional details and suggestions, please do not hesitate to contact me at (703) 496-0796 or [Jessica@forwardhealthconsulting.com](mailto:Jessica@forwardhealthconsulting.com).

Sincerely,



Jessica Waltman  
Principal, Forward Health Consulting