

August 18, 2015

Minnesota Department of Commerce
Long-Term Care Hearing Public Comments
85th 7th Place East, Suite 500
Saint Paul, MN 55101

Issue: What are the challenges for policyholder protections, including claims handling? (question from Yolande Bruce 8/13/15 letter)

My mom, Polly Kube, died on January 4, 2115, at the age of ninety-four. She was proactive in that she signed up at a relatively young age for long term care with two insurance companies (Transamerica and Bankers). Over the course of her life she paid in over \$67,000 in premiums.

Six months before her death, she became ill and had to go to the hospital and, consequently, to a nursing home. At this home she was neglected to the point that her life was in danger. They placed her call button out of reach and disconnected the emergency alarm on her bed. She was not ill-tempered and did not have dementia – she was just physically weak. We then moved her to a licensed assisted living setting.

Both insurance policies had a “waiting time” rule before any benefits could begin (one three months, the other six months). In addition, when she initially signed up there was no such entity as “assisted living facility” in the contract. Thus, even when she began to receive services, the help was at a minimal level (\$25.00 a day for one, and \$60.00 a day for the other). This did not make a dent in her \$5000.00 a month care. She spent another \$30,000 for her care from her own life savings.

We never told her of this insult to her careful insurance planning, so she went to her grave thinking that her insurances had helped her at the time that she needed it. From the very beginning of this episode, I appealed and communicated to the insurances, and to the state of Minnesota. It was to no avail. Her insurances did not help her. I don't know how they can live with themselves knowing they swindled a vulnerable, sweet and trusting lady out of her promised (and paid for) support.

Judy Johnson
Judy Johnson (daughter of Polly)

RECEIVED

AUG 19 2015

MAILROOM

Thank you for the invite to give comments regarding the state of long-term care insurance industry issues. We do not live in the twin cities so appearing in person on 8/27/2015 will not be possible for us, however, do want to make some comments.

We have endured great stress in caring for our elderly mother who has been in and out of and in between her assisted living apt. and the nursing home for over 6 years now. In that time, we have realized all the mental anguish of the situation, as well, as financial due to the lack of professionalism and lack of ethics on the part of the nursing home insurance company, in our case, Transamerica. When our father was in the nursing home having purchased his insurance from a different company, we didn't have near the headaches as with this company now with Mother.

Our Mother has been falling for many years which is why she had to leave her home and enter Assisted living facility. In that time her care there has not always been very good, the lack of help in that assisted living facility, as well as, adjoining nursing home facility are a huge problem. As her health continues to decline and after she has fallen numerous times again or been in need of surgery or has had other setbacks she lands back in the nursing home. Trying to figure out what and when and if the nursing home insurance is going to honor their contract is an additional stressor. At one point, when I wrote to the Mn. Dept. of Commerce, they had cut my Mom off of her insurance for a year. In that time, we had to apply for Medical Assistance, which has also been nothing but a nightmare, mainly because she was responsible and had this insurance, however, they were choosing not to pay due to a form being completed incorrectly and MA not knowing how to treat the nursing home insurance that was supposed to be paying. (When it does pay MA workers still not clear how to handle that or the billing either, just another nightmare!) . Also, some of the reason Mom is in care is her inability to care for herself including incontinence but due to her pride she would not be honest when asked if could care for herself. Despite that the assisted living verified her level of care and her inability to do for herself, because SHE would say she could, she supposedly wasn't meeting the number of criteria to qualify. We would call the Transamerica company multiple times with no call backs just continued stop payment.

I could carry on about all the stressors of trying to figure this out, keeping the nursing facility paid when the nursing home insurance just quit paying again, but to what avail. After contacting your Agency when this occurred last time, they all of a sudden sent a letter saying she was eligible and they would backpay for almost a year. That all sounds good but another financial nightmare as at that point had done all the medical assistance paperworks so now they were involved and nobody to this date can figure out how this all should work. You may want to come and figure out where she stands with the business office at nursing home/assisted living yourselves to verify the nightmare as now again they have decided not to pay for the last several mos. while she is back in the nursing home and we are still paying for her assisted living apt. in hopes she can go back after heals from surgery. However, that is not looking good as she keeps falling and deteriorating further.

Seriously, she is not getting better and deteriorating and we have to again PROVE she needs the care?!? I watch my husband's (the one who tries to keep track of all of this for her and keep folks paid) health deteriorate with the stress of an aging Mother and all the headaches and stress

surrounding paying for her care. Isn't this ridiculous when the family did the responsible thing and purchased and paid for this nursing home insurance all these years only to not know if they will be in the mood to pay or not!!!

Folks on straight medical assistance have none of these hassles so the moral of the story is, why be responsible??? That is how we are starting to feel.

Please, please hold these companies accountable. We understand they need to verify someone's status of needing care but this goes way beyond that and if they need to continually be doing this, then they need to have folks working directly with clients representatives to work through this rather than the inability to even communicate with anyone at the insurance company for mos. up to a year sometimes trying to get things figured out.

Thank you for your time and if you ever need further documentation as to the nightmare this has been with Transamerica, please feel free to call me at [REDACTED]

Brian Torgusson

Dear Sir:

I am in receipt of your letter and notice, dated July 28,2015, about the notice of public hearing on Long Term Care Insurance.

My wife and I have a long term disability policy with State Life Insurance Company that we purchased on 1/6/2003. At that time, we studied a number of different providers and terms. For example, we did have an option of a 10-year premium option at \$440.28 per month. We chose to not take that option but to purchase a monthly payment plan of \$198.93 per month. One of the terms of the policy has a 90 day waiting period, which is not unusual. We had looked at many plans and options in 2002 for this decision.

On 10-26-2013 we were notified of a premium rate increase that had options of less coverage or a higher premium of \$268.53 starting on 1-6-2014. If I had known that this was likely to have happened, I would have opted for the 10 year policy option and be done with all my payments. It is now likely I will pay more for that decision. (Time value of money.)

The \$69.60 represents a 35% increase ($69.60/198.93$).If I had known this would be coming, and that they could increase the amount or decrease our benefits in the future, I would have selected a different company or payment plan. I would like to look to a Present Value of the money required for the 10 year period and consider a single payment to make up for that error, but that is not an option.

Thank you for asking me my thoughts on this matter.

Respectfully,

Mark B Gregory

First, thank you to Susan McGee, who worked on my Long Term Care claim with Transamerica and who sent the notice soliciting input for this meeting. The issue with Transamerica's billing procedures seems to have resolved, albeit under threat of reporting and thanks to your intervention. We are now receiving billing for my husbands quarterly payments in a regular manner.

Thank you for the opportunity to submit comments and questions for the LTC hearing scheduled for August 27, 2015. My comments:

Challenges - Pricing of LTC is unknowable due to the many variables in the health care industry and the potential for an increasing number of long-lived, but frail elderly population who may need care. It is considered provident to purchase LTC policies to protect assets. However people who consider LTC face the possibility of large and increasing premiums for policies they may not need should they die sooner than expected.

Rate increases - Rate increases need to be kept within range. Pricing people out their policies is unconscionable. I noticed on the internet the development of a hybrid LTC product which appears to function somewhat like a Healthcare Savings Account (HSA)/annuity. This model or a variation might be worth considering -- especially if current policies could be converted without loss to policy holders.

Policy holder protections - Very important to have state regulations and consumer agency available for policy protection. It was very helpful to me in the situation above where billing was unclear; mailing addresses, stationery, and envelopes did not match verbal instructions; payments were not processed promptly; and we were notified that the policy was cancelled. Trust has been broken and I will always wonder if future claims will be honored.

Sincerely,

Susan Certain

August 19th 2015

Subject: Long Term Care Insurance with Met Life for Robert and Kathleen Palmehn: Comments for the Commissioner's hearing of August 27th, 2015

- My wife and I applied for Long Term Care Insurance in 1998 and were accepted. We did our due diligence review of need and affordability and purchased life time coverage with a cost of living increase rider.
- During the period of 1998-2004 our premiums increased 18.5% to \$390/mo. We were then notified that the premiums would increase an added 20%. This would have increased the monthly premium to about \$468. We decided this wasn't affordable and dropped our coverage to 5 years. Even with this change our monthly premium was \$372.
- Further increases forced us to reduce coverage to three years. Monthly increases were erratic sometimes as much as nearly 11%. Since 1998 the simple math increase in monthly premium was 34.9%, but this also reflected our coverage going from life time to three years.
- The new special increases for 2015 now have increased our premium to \$505/mo and next years increase of 10% plus the probable cost of living increase in the 3 – 5 % range will increase our premium to around \$575. We have now reached an affordability crossroad and our decision will be to go to 2 year coverage or take the option called Contingent Non Forfeiture benefit which will give each of us full coverage for less than a year. We have no optimism that there will be any reductions or slowing of increases.

We have several suggestions for improvements in this type of product

- Provide some residual value to the insured for recoupment of premiums paid based on an affordability criteria. (this has been partially done with the "Contingent Non Forfeiture " benefit that Minnesota Commerce insisted Met Life offer). However it would seem this could be improved in the original policy giving more pay back benefit if the policy is in force for a defined period, such as 10 years.
- For potential new buyers, show them the impact on the annual premiums due to cost of living increases. Show them the calculation formula and define if it is fixed or can vary. This is a big decision maker for the purchaser.
- Develop a product that has either no annual cost of living increase (also no benefit decrease) or a more limited increase than currently used. This would no doubt be a more expensive product initially but would not increase monthly premiums.
- Work with the health care providers to significantly reduce nursing home cost, because this is obviously the main cost increase driver. This is of course most difficult and might require government subsidy or legislation.
- Add Long Term Care coverage to Social Security, of course a political bombshell, and no doubt very expensive. However our life span issues must be addressed as they drive the future of any type of benefit affordability for Long Term Care or any insurance.

Public Hearing on Long-Term Care Insurance 8/27/15

Minnesota Department of COMMERCE file #37722

A. Size of increase. It was almost 10% which seems rather high for a person that has been paying the premiums on time and is now 75 years old and on a fixed income.

When Genworth requested a rate increase did the Commerce Department ask to see an audited financial report from the company to show why they needed a rate increase?

B. Rising Health Care costs. The cost of Nursing Home Care continues to rise and it is my understanding that the State approves those increases also. It seems to me that if this trend continues most people will end up on State assistance programs for a number of years of their life.

I believe most people of my generation want to be able to pay their own way for the care they need. That is why we purchased Long term care Insurance when we did. It bothers me a lot to now think that the insurance company can raise its premium to the point of me not affording it and they get to keep all the premiums I have paid. They make more money and I go on State assistance.

C. Maybe the State should consider a State run Long Term Care Insurance Program similar to the health care program. Not the best way of doing it but it would help the fixed income aging population protect themselves against the rich Insurance companies.

D. I do believe that this problem will only get worse unless some solutions are found that will benefit all people. This means the public, the Insurance Companies and the State.

In closing I want to say thank you for the opportunity to express my concerns and challenges concerning my Long Term Care Insurance policy.

Edward Bratvold Jr.

August 20, 2015

Thank you for looking into the problems and shortcomings with long term care insurance. I am very sorry I am not able to attend your hearing in person.

Dealing with my mom's long term care company was so extremely difficult, time consuming, and disappointing.

My biggest complaint / concern is that the company is structured to make contacting them very difficult. Once you finally reach a person to ask questions and seek help, the "customer service" staff cannot or will not provide information or assistance; most have the same answers: "that is the way it is", "I don't know", etc... I could bore you with the notes I kept in trying to get help and explanations of the policy, but will summarize with in all my dealings (and there were many) I found only one person who seemed to genuinely care about my (mom's) needs. It truly seemed that she was going against company policy to help me.

I had to call 3 times just to receive a copy of the policy, as I could not find my mom's copy. When I did receive it the post mark date was at least a week later than the day they told me it had been mailed.

It is nearly impossible for an elderly person to navigate through their phone system, push 1 for this, 2 for that, hold, transfer, hold, transfer, etc.... Add to this a person who is nearly blind and suffering with dementia; the insurance company wins hands down.

Never having dealt with long term care insurance or filing any type of insurance claim, this was a real eye opener. I now understand the need to contact a lawyer when working with insurance companies.

I learned (too late) the policy language is written to benefit the insurance company **not** to give maximum benefits to the policy holder. Unfortunately the language implies the policy holder will receive full or maximum compensation, when in fact the insurance company will only pay the least amount possible.

Looking back I will say I filed for benefits too soon. My mom's doctor had diagnosed her with heart failure and led me to believe she would not live long. She was in early stages of dementia, and her health and mental state seemed very bad to me. Now her dementia has progressed, she is almost completely blind, arthritis, heart and breathing issues plague her. She cannot be left alone for more than a couple of hours at a time.

Insurance is now gone, and benefits were under paid by \$ 12,410. Fortunately she owned her home and I was able to do a reverse mortgage that combined with her dwindling savings allows me to continue paying her bills, caregivers and allows her stay home where she wants to be, (even though she often doesn't know she is home). I found a wonderful lady to live in with her.

I am including the final letter I sent to SHIP, as well as a spread sheet showing mom's caregiver expenses and payments received by SHIP during the 2 year policy period.

My husband and I had just started looking into long term care insurance for ourselves but after my dealings for my mom we decided against long term care and instead are investing and saving, hopeful our savings will be enough to provide our needs in the future. I warn everyone who mentions long term care of the problems

We do not have children to assist us when/if we get to the condition my mom is in, so long term care insurance would probably not pay anyway, as we would not be able to wade through the phone and arduous forms to apply for benefits.

I am encouraged by your hearing and hope you will be able to address the many shortcomings of long term care insurance.

I did have a very good conversation with a California Insurance Commission representative who had also looked into my case. She said while SHIP did nothing illegal their practices were unprincipled.

I will again share my information with my local congressmen and insurance commissions. (I had already contacted our local insurance commissions). Perhaps with more pressure insurance companies will work **for** clients best interests and needs rather than connive to pay the least amount possible.

Elder care is going to be an increasing issue as this country's population ages and lives longer. We definitely need to look at alternatives for our future care. Who knows how much expenses will rise in another 20 years. Unless major changes are made in long term care insurance I do not see this as an option.

I am very happy to forward additional notes and additional contact I had with SHIP if you would like.

Thank you again for addressing this issue.

Sincerely,

Mary Simpson

March 28, 2014

Senior Health Insurance Company of Penn
PO Box 64913
St. Paul, MN 55164
Fax 952-983-5256

Ref: Patricia Brazier

Dear Sirs,

I received notification that Patricia Brazier's policy has been paid the "Maximum Benefit Period". "No further benefits are available for Home Care Benefit under the policy".

Patricia Brazier's policy states it will pay up to \$ 100. per day for a 2 year period, my math comes up with a value of \$ 73,000. She has been receiving care for two years now, but has only been reimbursed \$ 60,589.99 from her policy.

Her total caregiver expenses have exceeded \$ 105,000. I understand the policy only pays \$ 12.50 per hour for caregiver's wages and does not cover any mileage expenses. However the policy also states "any accrued benefits unpaid at your death will be paid to your estate ". This led me to believe she (or her estate) would receive the full value of the policy; \$ 73,000.

When I called to ask why her last invoice was paid short I was told she had used up her benefits as she has gone beyond the two year policy period, that the policy does not pay "up to \$ 100 per day" as stated it pays only two years, regardless of the fact she was rarely reimbursed her full \$ 100. per day, even though her caregiver expenses exceeded \$ 100. per day.

I had been forced to limit caregiver's hours because I could not afford to make up the difference that the policy would not cover. I did not realize you would not honor the full value of the policy. Years ago when she took out the policy she had no way of knowing caregiver expenses would rise to over \$ 20 per hour. I submitted invoices from her caregiver's as she was billed; I did not manipulate or falsify billing. I trusted your company to reimburse the full value of her policy as it implies.

She still requires assistances and even more as her health is continuing to decline. I have already had to pull money from her limited savings, as well as my own to cover her caregiver's expense. It is extremely disappointing and disheartening that you will not honor the full value of her policy.

I respectfully request you reconsider your decision and honor the full value due her.

Thank you in advance for your consideration,

Mary Simpson

The wording in the policy is very misleading

Minnesota Department of Commerce
Attn: Long-Term Care Hearing Public Comments
85 7th Place East, Suite 500
Saint Paul, Minnesota 55101

Dear Mr. Rothman,

I am writing in behalf and with the permission of my 89 year old father, Elmer Weibel. My father was enrolled with and paid hefty premiums for over 10 years to CNA, under the long term care (LTC) insurance policy subscribed by Minnesota State employees and their families. I welcome the opportunity to tell my father's story about not only being cheated out of his benefits but how the company used disrespect, intimidation and lies in trying to get my father to back down.

Above all else, my parents did not want to be a burden to their children. To ensure that this did not happen, they both invested in long term care insurance. The money they spent on these insurance premiums came out of money that should have been used on necessities. I did a net present value compilation of premiums that my father paid and with a modest rate of return, my father would have had in excess of \$50,000 if he had invested that money in a CD. CNA was contractually obligated to provide LTC but instead literally stole my parents much needed resources.

CNA insurance company used rudeness, intimidation and made medical assumptions without considering my father's medical condition. They told my Dad that he was not medically eligible for those benefits; ignoring letters from 5 separate doctors all of them stating strongly that my Dad needed long term care and he was not safe to be on his own. I made several calls in behalf of my Dad and acted as an advocate in his behalf and insisted that they consider the medical opinions of his physicians. This did help with the rudeness but they then went on to passive resistance such as claiming they had not received information submitted multiple times, redefining what they needed and generally doing whatever it took to delay making any decision. This went on for over a year. I did file claims with the Attorney General's office and with your agency but your department was reluctant to get involved until the Attorney General's office made a decision and the Attorney General's office wouldn't make a decision until all appeals were made with the LTC Company. The LTC Company was doing everything in their power to delay the process. My Dad just did not have the money to keep paying those premiums so without any foreseeable help he gave up.

My mother passed away (quickly so did not use her LTC benefits) and my father is currently living in a rent subsidized apartment where he does his own cooking and takes care of himself; again he's 89 years old. He does receive some home care assistance but he desperately needs daily nursing and supervision care. On a recent visit he told me how hard chores for daily living are getting for him to accomplish. This has left him depressed and anxious. We do help him but I live 5 hours from him and he is very independent and HE SHOULD HAVE THE BENEFITS

CONTRACTUALLY OBLIGATED TO HIM. We need to protect this good hard working man and others like him.

If you would like further clarification or information on any of this please feel free to contact me.

Karen Rich

I feel have been treated like a 2nd class citizen as far as the Genworth Long Term Care Ins. Back in Late Jan. I was faced with major surgery on my lower back and I tried to find out what my options were as getting assistance in helping me recover and get back on my feet. Every time I called I would get some one else and could not get to talk to anyone that had any idea how to be of any help to me. After the surgery I recovered better than I or the doctors ever expected me to. I certainly could use some aid in equipment in making living much easier, but the treatment I got previously I'm afraid to contact them. It would be a big help to 2 elevated toilets to make getting off much easier. I go to the Rec center 5 days a week and use the raised toilet when I get there and again before I leave just for the convenience. Yes 2 depending what area of the house I'm in as with lower back surgery often causes incontinence and it can be along way from one or the other. And later this week I'm scheduled for biopsy for possible prostate cancer after being cancer free for 21 years. And having a total of 230,000 worth of benefits in my account. And they don't help me live a little easier at my age and health problems. And they keep jacking up the premiums and with my history I will never use that amount at the amount of the assisted living in Pipestone at the rate of less than \$2000.00 per month. It was GE Long Tern Ins. for years and never had a premium increase and since it has gone to Genworth there has been 2 increases for us that have a fixed income. They say I have 100 day waiting period well if things are as bad as they think I may not even see 100 days.

The very first time I called I had talked to a very helpful man by the name Miguel Guevara. When I talked to him I did not know what to expect after my surgery and what the recovery was to be. Some one even told me they had on one there by that name. Some of those employees need to be more respectful as the day will come when they are in the same situation and need answers and help. I think they think when turn room temperature and did use any in my account they just hit the jack pot.

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

August 19, 2015

Dear Mr. Kaehler,

I received your letter about a meeting coming up on August 27th, regarding long term care insurance and its problems. I'm afraid I will be unable to attend the meeting. I do want to extend a "Thank You" from my husband and I for the help you gave us, concerning Riversource Life Insurance Company. We were getting the run around with our long term insurance, when Charles entered the nursing home in September, 2013. When your department stepped in, Riversource immediately turned their decision around and agreed to pay up. They paid the back pay they owed, and have been making monthly payments ever since. Without your support I'm afraid we would have been left without our benefits. We are eternally grateful for your help and support.

Insurance companies like to see us pay our premiums, but don't like to dish out the benefits that they have promised. "Thank You" again for the help we received.

Sincerely,

Beverly Smith

Beverly Smith

Attorney in Fact for Charles Smith

RECEIVED

AUG 21 2015

MAILROOM

8/19/15

Susan McGee
Minnesota Dept of Commerce
85 7th Pl East Suite 500
St Paul Mn 55101

Re Rose Brast
Continental Casualty Co

Dear Ms. McGee.

At Long lost a response to my
complaint of Long term care policy
issued by Continental Casualty for my
Aunt Rose Brast, deceased.

My complaint to them went really
now here they didn't admit to any problem
with the handling of this policy. They
took premium monthly with no letters
or anything to explain coverage. By the
time I found out she had this policy
she had already been hospitalized for a
stroke, and long term care was paid from
the policy. She was in rehab 6
weeks. She did not realize she

21

Was paying for long term care through all the time. I was taking care of her. Mac had one letter stating how much coverage she had.

I understood Continental stated a letter was sent to her old address on Claremont Ave. Nothing was forwarded to her at 5333 N. Shedd Rd Apt 10C Chicago Ill. 60640.

Long term care takes premiums and does not keep people informed. Dementia and illness takes its toll. They are like Life Insurance companies they keep premiums and if elderly people don't keep payments for whatever reason they keep the profits. they are a rip off.

If I had more time and a little money. I would sue them. they have to be more transparent. I realize they have to make a profit but at the cost of elderly people.

Thanks for listening

RE: TransAmerica LTC

My mother holds a long term care policy with TransAmerica (formerly Banker's Life). Our experience with TransAmerica has been challenging, and we are losing confidence that coverage will be there in the future.

Issues began at the onset when trying to obtain coverage for an Adult Day Center (to start the clock) to get past the 90 day elimination period. TransAmerica delayed benefits, indicating that my mother did not meet their criteria regarding ADLS (Activities of Daily Living) even though she had serious and obvious cognitive deficits (it took time, but the situation was resolved after my mother's primary care physician sent a detailed letter to TransAmerica regarding her condition).

Issues with TransAmerica began again in March 2015, when mother required more care, and moved to a memory care facility. We received approval from TransAmerica for coverage at the facility. We made the assumption that reimbursements would begin. Our experience has been delay of claims, and poor customer service. We did receive a reimbursement after the first month, but it was for far less than what the policy indicated. The best answer TransAmerica reps could provide for not receiving reimbursements, had to do with the memory facility's statements (they do not provide enough detail).

After three months of no additional reimbursements, we filed appeal with TransAmerica and notified the MN Dept of Commerce. We did receive reimbursement for the three months of claims after TransAmerica received notice from MN Dept of Commerce.

Nancy Ringgenberg
August 2015