

# Senate Health and Human Services Committee

*Sophie Walsh 271-3469*

**SB 610-FN**, relative to long-term care insurance standards, form approvals, and public hearing procedures.

**Hearing Date:** January 8, 2026

**Time Opened:** 9:23 a.m.

**Time Closed:** 10:29 a.m.

**Members of the Committee Present:** Senators Rochefort, Avard, Birdsell, Prentiss and Long

**Members of the Committee Absent:** None

**Bill Analysis:** This bill relocates a provision on the insurance commissioner's rulemaking authority on loss ratio standards for long-term care policies within statute, authorizes approval of innovative care policies, revises the criteria for disapproving insurance forms, and permits public hearings with discretionary disclosure of form and rate filings.

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**Sponsors:**

Sen. Ricciardi

Sen. Lang

Sen. Gannon

Sen. Watters

Rep. Post

Rep. Spier

Rep. Burroughs

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**Who supports the bill:** Sen. Ricciardi, DJ Bettencourt (NHID), Harold Sullivan (National Association of Insurance and Financial Advisors – NH), Ron Evans, and Cary Grant.

**Who opposes the bill:** No one.

**Who is neutral on the bill:** No one.

**Summary of testimony presented:**

Senator Denise Ricciardi, Senate District 9

- Senator Ricciardi explained that she was approached to introduce legislation by the New Hampshire chapter of the National Association of Insurance and Financial Advisors (NAIFA). She has also been contacted by constituents who have faced challenges in affording their long-term care policies.
- This bill is about modernizing New Hampshire's long-term care insurance laws to reflect today's realities, while preserving consumer protections and regulatory accountability.

- Long-term care policies help pay for the costs associated with care that is not typically covered by regular health insurance or Medicare. This helps preserve assets and avoids the need to enroll in programs, such as Medicaid, to pay for care.
- Long-term care insurance is a difficult and highly regulated market affecting some of our most vulnerable citizens.
- It requires careful oversight to balance affordability, solvency, and consumer fairness. This bill brings greater clarity, transparency, and structure to that oversight.
- This bill ensures that regulatory authority, particularly around standards and disclosures, is clearly and appropriately located in statute.
- It reinforces core consumer protections by preserving the commissioner's authority to disapprove insurance forms that are unfair, misleading, or not in the public interest. It also maintains the fundamental principle that benefits must be reasonable in relation to premiums.
- This bill allows room for responsible innovation by allowing the commissioner to approve innovative policies that meet clear public interest and value standards.
- This bill promotes transparency and public confidence by allowing public hearings when appropriate, while protecting sensitive or proprietary information.
- Senator Ricciardi emphasized that this is a good government bill. It does not require any new spending or an expansion of bureaucracy. It simply clarifies the law, modernizes outdated provisions, and strengthens accountability.
- Senator Ricciardi acknowledged that there may be testimony regarding the section of the bill that enables the Insurance Department to hold public hearings prior to making decisions on any forms or rate filings. While not in the bill's current form, initial drafts required the Department to hold a public comment period for impacted parties to weigh in on proposed increases. Senator Ricciardi said this could be considered by the Committee throughout the legislative process.

Commissioner DJ Bettencourt and Roni Karnis, New Hampshire Insurance Department

- Commissioner Bettencourt explained that this has been a concern for the Insurance Department and thanked Senator Ricciardi for her initiative and partnership on this issue.
- This proposal represents a thoughtful, measured update to the long-term care insurance framework.
- It reflects the lessons learned over the past several decades by regulators, insurance carriers, and consumers.

- Commissioner Bettencourt provided an overview on how today's long-term care insurance landscape came to be.
- The modern long-term care insurance market was built in the 1980's and 1990's.
- Many of the early products were priced with overly optimistic and inaccurate assumptions because data for long-term care insurance did not exist. So, carriers and actuaries based assumptions off of life insurance, in which it is typical to find consumers letting their policies eventually lapse.
- However, long-term care policy holders are not letting their policies lapse, and this basis on flawed assumptions is creating a significant financial challenge.
- As policy holders are now starting to need their benefits, carriers have been facing significant financial hardships and solvency challenges. As a result, consumers are seeing large premium increases and insurance commissioners around the country are trying to balance the financial needs of consumers with ensuring companies remain solvent.
- Commissioner Bettencourt emphasized that the provision of the bill looking into the future is important. He is having conversations with carriers on a regular basis as they navigate bringing forward new long-term care products, and some flexibility is needed within statute to make room for innovation.
- Commissioner Bettencourt noted that the legislation currently authorizes, but does not require, the Department to hold public hearings for forms and rate filings.
- He explained that deciding between a "may" and "shall" is a policy decision for the legislature to make, but noted that it would be a lot of work because the Department believes that if this is done, it should be done for all insurance policies that the Department regulates. He noted there are some states that do this, so there would be models to follow.
- Commissioner Bettencourt emphasized that the Department believes this will help this particular market to function. It provides clear rules, predictable oversight, room for innovation, and respects private enterprise.
- Senator Birdsell asked who completed the evaluations in the past assuming that policies would lapse.
- Commissioner Bettencourt explained that these were decisions made by actuarial teams within the carriers who were offering long-term care products. Insurance departments across the country reviewed those assumptions, but regulators were in the same position of not having any data to compare the assumptions to.
- Senator Birdsell confirmed that it was a combination of carriers putting things together and insurance departments approving them, as there was no history to base assumptions on.

- Commissioner Bettencourt confirmed. He explained that when the New Hampshire Paid Family Medical Leave Program was being designed by the State, the carriers were confident in the accuracy of their assumptions because they were able to make comparisons to short-term disability leave. In the case of long-term care insurance, the best option to compare assumptions to was life insurance.
- Senator Avard asked if this is a bail out, noting that carriers took the risk based on the actuarial assumptions.
- Commissioner Bettencourt said he does not believe this is a bail out, and he would not be supporting it if it were. The carriers have tried offering opportunities to consumers to not bear the full brunt of these mistakes.
- He explained that at the national level, there are two groups of solutions that insurance commissioners fall into. Some refuse to approve any rate for carriers, while others approve rates to avoid companies going bankrupt. He emphasized that letting companies go insolvent is not in the best interest of the consumer, as they would be getting a fraction of the benefits that they have paid into.
- Commissioner Bettencourt said he is trying to find a moderate pathway that protects consumers, while not letting carriers go bankrupt.
- Senator Avard asked if we are going to be allowing the State to change already settled agreements or the benefits and rates agreed upon.
- Ms. Karnis said this would not change the existing rate approval structure. The guardrails for the commissioner to exercise discretion would remain in place. This bill would also not retroactively affect any contracts that are already in place.
- Commissioner Bettencourt said his fear is that a dynamic will be created in which a large national carrier will be subsidized by states that always approve rates to compensate for states that do not approve any rates.
- He emphasized that this proposal puts New Hampshire consumers first by reviewing rate increase requests based on what is in the best interest of New Hampshire.
- Senator Rochefort referenced points (a) and (b) on lines 7-8, page 2 of the bill and noted that they are abstract. He asked if there is an internal metric in place, or if the bill should be made more prescriptive.
- Commissioner Bettencourt said that particular language is what is currently in administrative rules. The intent is to enshrine that standard in statute.
- He agreed that (a) is more subjective, but (b) has distinct meaning to actuaries who review those rate increases.
- Ms. Karnis referenced (a) and said that language already exists within life insurance statute. It is one of the fact findings that the commissioner must make to approve a discretionary association group for life insurance.

- Senator Long referenced public hearings and asked if there is any dynamic that would weigh heavier on disclosure.
- Ms. Karnis explained that there is confidentiality afforded to form filings for all insurance products, with everything considered confidential until approved and effective.
- When the Department is assessing the product and rate, they have the ability to ask carriers for additional information.
- There could be times, if public hearings were to be held, that some of that information might need to be public. The Department needs to be able to strike a balance between exercising good judgement in making information public and protecting proprietary information.

Harold Sullivan, National Association of Insurance and Financial Advisors – New Hampshire

- Mr. Sullivan stated that he has seen the entire history of the sale of long-term care policies through his professional career.
- He shared his personal experience with having a long-term care insurance policy, noting that he received notice of an 88% increase in premiums last May.
- He explained the history of long-term care insurance sales and emphasized the importance of remembering that the state of New Hampshire had a partnership program that required policies to have rich benefits and endorsed the sale of these policies.
- By 2010, some of the carriers stopped actively selling long-term care policies, thus stopping the flow of new premiums and resulting in substantial premium increases.
- Mr. Sullivan emphasized the goal in this discussion is to require a public hearing or comment period of at least 60 days when carriers file requests for rate increases.
- Mr. Sullivan said it is also important to know how companies calculate rate increases. He explained they segregate the blocks of business into small blocks and request rate increases on that basis.
- Mr. Sullivan emphasized that those most affected by this are the people who bought policies when the market was taking off and are now needing access to benefits. These are people on fixed incomes who are also seeing increases in Medicare prices. Some may choose to cancel their policy and ultimately end up utilizing Medicaid annuities.
- Mr. Sullivan said that when these costs come back on the State, it affects us all. He also noted that we may be subsidizing other states.
- He emphasized that he is asking for the bill to require the Insurance Department to hold a public hearing or comment period before rate increases.

- Mr. Sullivan referenced prior testimony about carriers experiencing financial hardship and outlined the assets under management of several carriers, noting that he does not think these companies are experiencing financial hardship.
- Senator Avard asked if Mr. Sullivan would prefer the bill to include “may” or “shall.”
- Mr. Sullivan said he would prefer "shall." He noted concerns from the Department about needing to do this for all insurance lines, and said one option would be to put this component in a different section of the bill to only apply to long-term care. An extended public comment period would also be acceptable.
- Senator Prentiss asked if it would be fair to say that these rate increases will drive the mature population who hold these policies and need to access benefits while on a fixed income to leave their policies and face the long-term care landscape alone, likely ending up on Medicaid.
- Mr. Sullivan agreed and noted that there are some limited benefits when someone leaves their policy, but ultimately, they will likely end up on Medicaid.

#### Ron Evans

- In 2001, Mr. Evans and his wife purchased long-term care insurance policies. At the time of purchase, the combined annual premium was \$4,324. Over the next 24 years, the combined annual premium increased by 102% to \$8,734.
- Mr. Evans explained it is his understanding that some insurance companies, including the one that holds their policies, have ceased selling long-term care policies in New Hampshire.
- He emphasized that shutting off the flow of new premiums while having concerns about ability to pay out benefits is an ineffective business practice that punishes existing policy holders.
- Mr. Evans explained that insurance companies and the Insurance Department have treated long-term care policies as a single book of business. Doing so does not consider the full performance of these companies and results in policy holders being forced to either cancel their policy or reduce benefits.
- Mr. Evans said he is not sure how many people in New Hampshire are affected by this, but he did find some data over a 2-year time period suggesting that there has been a fairly high percentage of policy holders who have cancelled their policies or are no longer covered by policies.
- Mr. Evans emphasized that he and his wife have invested over \$120,000 over the years, and premium increases may defeat the efforts they made.
- He noted that this will likely drive costs to Medicaid.
- Mr. Evans said the Insurance Department should be required to hold public hearings with adequate notice and allow policy holders to voice their concerns.
- Senator Avard confirmed that the program Mr. Evans bought into has since halted new policies, thus affecting the risk pool and is now being subsidized by

the remaining policy holders through premium increases. Mr. Evans said this sounded correct.

- Senator Avarad explained that when an insurance company sells a policy, the idea is that the risk is spread amongst many people. But, once that flow of new premiums is shut off, the risk is no longer being spread, which results in policy holders paying higher premiums as benefits get paid out. Thus, policy holders are essentially subsidizing the bad decisions of actuaries.
- Mr. Evans said he does not necessarily think policy holders are subsidizing it, but he does think the insurance companies are trying to get policy holders to either drop their policies or reduce their benefits because it would reduce risk.
- Senator Avarad noted that Mr. Evans has paid \$120,000 into this and it would just go away.
- Mr. Evans said he has not yet considered dropping his policy and he hopes not too.
- Senator Rochefort noted it was like a war of attrition to see who blinks first, and Mr. Evans said that was a fair comparison.

#### Cary Grant

- Mr. Grant stated that he is speaking as a consumer and policy holder.
- In 2003, he and his wife purchased long-term care policies. At the time of purchase, the premium was \$4,916. Over the years, benefits have been reduced while premiums have increased. Including an already-granted rate increase in 2027, the premium will now be \$10,141, which is a 147% increase.
- Mr. Grant questioned if he will be able to afford this premium when it is needed the most. He feels like he is being forced out of his policy.
- Senator Avarad asked if Mr. Grant is in favor of the bill, and Mr. Grant confirmed he is because he feels as though policy holders have had no say.
- Senator Avarad asked Mr. Grant if he spoke to legal counsel about his benefits being decreased while the premium rises.
- Mr. Grant said he has not spoken to legal counsel about the changes, but every year they get a letter from their carrier that outlines the changes being made and says the Insurance Department gives them permission to do so. Mr. Grant said he has been advised to keep his policy rather than reduce benefits or drop it.
- Senator Long asked Mr. Grant if he was made aware of the rate increase requests made by the carrier to the Insurance Department.
- Mr. Grant said that he was not made aware, as he only got a letter outlining the already approved increases.