

Draft: 6/18/25

Senior Issues (B) Task Force  
Virtual Meeting  
June 10, 2025

The Senior Issues (B) Task Force met June 10, 2025. The following Task Force members participated: Scott Kipper, Chair (NV); Jon Godfread, Vice Chair, represented by Chrystal Bartuska, Vice Chair (ND); Lori K. Wing-Heier represented by Sarah Bailey (AK); Mark Fowler represented by Dusty Smith (AL); Peter M. Fuimaono represented by Elizabeth Perri (AS); Maria Ailor represented by Sterling Gavette (AZ); Ricardo Lara represented by Tyler McKinney (CA); Andrew N. Mais represented by Paul Lombardo (CT); Karima M. Woods represented by Brian Bressman (DC); Trinidad Navarro represented by Jessica R. Luff (DE); Michael Yaworsky represented by Alexis Bakofsky (FL); Jerry Bump represented by Kathleen Nakasone (HI); Doug Ommen represented by Andria Seip (IA); Dean L. Cameron represented by Shannon Hohl (ID); Holly W. Lambert represented by Rebecca Vaughan (IN); Vicki Schmidt represented by Craig VanAalst (KS); Sharon P. Clark represented by Stephanie McGaughey-Bowker (KY); Michael T. Caljouw represented by Rebecca Butler (MA); Robert L. Carey represented by Marti Hooper (ME); Anita G. Fox represented by Kathy LeFleur (MI); Grace Arnold represented by Cam Jenkins (MN); Angela L. Nelson represented by Amy Hoyt (MO); Mike Chaney represented by Bob Williams (MS); Mike Causey represented by Robert Croom (NC); Eric Dunning represented by Martin Swanson (NE); D.J. Bettencourt represented by Roni M. Karnis (NH); Justin Zimmerman represented by Michael Fahncke (NJ); Judith L. French represented by Christina Reeg (OH); Andrew R. Stolfi represented by Lisa Emerson (OR); Michael Humphreys represented by Jim Laverty (PA); Larry D. Deiter represented by Jill Kruger (SD); Cassie Brown represented by Rachel Bowden (TX); Jon Pike represented by Tanji Northrup (UT); Scott A. White represented by Julie Blauvelt (VA); Sandy Bigglestone (VT); Patty Kuderer represented by Andrew Davis (WA); Nathan Houdek represented by Darcy Paskey (WI); Allan L. McVey represented by Joylynn Fix (WV); and Jeff Rude represented by Tana Howard (WY).

1. Adopted its Spring National Meeting Minutes

Swanson made a motion, seconded by VanAalst, to adopt the Task Force's Spring National Meeting (*see NAIC Proceedings – Spring 2025, Senior Issues (B) Task Force*) minutes. The motion passed unanimously.

2. Discussed LTC Riders on Life Insurance Products and Variable Plans

Commissioner Kipper said much of the industry is working to add long-term care (LTC) riders to life insurance products. He said the Task Force would discuss the current and continued viability of these products and whether regulators can make them more viable.

Bonnie Burns (California Health Advocates—CHA) said she is concerned about the transparency of how LTC benefits are integrated into the underlying life insurance products. It is not clear to consumers how the benefits interact with each other, and there needs to be discussion about how consumers are informed about these products, including how the internal costs could change the LTC benefit.

Bartuska asked if states receive complaints on these products, or because they are new to the market, if complaints will not be received for another 10 to 15 years when consumers attempt to obtain benefits under these riders.

Nakasone said Hawaii has been approving these products but agrees with Burns regarding consumers' comprehension of how the LTC benefits would reduce the life insurance portion of the product. In Hawaii, and presumably in other states, when an LTC rider is part of a life insurance product, certain statutes require annual

statements and certain disclosure requirements. Hawaii has not seen complaints yet. Smith said Alabama has not received many complaints on this issue.

Steve Schoonveld (GCG Consultants LLC) said these products have a plethora of rider types, such as care riders on universal life policies or indexed universal life, and even some on whole life policies. There are also chronic illness riders that do not fall under the scrutiny of LTC regulations, and some riders are there for the purpose of addressing care needs. Some give an accelerated death benefit, while some give a discounted death benefit. When a life policy or an annuity policy is filed, the LTC rider must be filed as well if it is a true LTC rider. This is a growing industry and has now reached the middle-income population. The group life with LTC riders offers quite a diverse amount of offerings for consumers to buy through their employer, continue that coverage into retirement, and provide LTC benefits.

Commissioner Kipper asked if there is any industry data on the take-up rate of these offerings. Schoonveld said traditional LTC, short-term care, and chronic illness riders are popular, and the group life with LTC sold at workplaces is ever-growing. He said a benefit of the group life with LTC is that it gives a permanent policy to be used for LTC needs during retirement or for a surviving spouse.

Smith asked if these LTC benefits are only attached to permanent life insurance or are they also attached to terminal. Schoonveld said it is predominantly permanent life insurance policies.

Burns said it would be helpful to know the range of policies that are available and the types of riders. Schoonveld said there are some riders that do not fall under the LTC regulations, but those that are sold as LTC riders and file under the LTC regulation must abide by the entirety of the LTC regulation, which means they have to offer a 5% inflation option, along with other consumer protections. He said one of the benefits of an LTC rider under a life or annuity contract is that it is illustrated.

### 3. Discussed State Initiatives on LTC Financing

Burns said LTC has become a journey for many Americans as the population ages. Families provide more than \$85 billion a year in unpaid care, and working women provide most of the unpaid care. She said since 2010, 10,000 people have been turning 65 years old, and this trend will continue until the end of 2030. She asked what that means for the future of LTC. The impact on state Medicaid programs will be dramatic, especially as the generations after the baby boomers are also aging.

Burns said there is an inadequate, disparate, and unorganized way of receiving and paying for care, and state Medicaid programs are rapidly feeling the effects of reduced funding, a growing worker shortage, and an increased demand for care. States have become laboratories for investigating and creating disparate strategies to handle the care of their growing population. One state has taken bold steps, others have taken or plan to take other actions, and about 17 states have or are in the process of implementing a plan to address aging, LTC, and long-term support and services (LTSS).

Burns said, as states explore these options, they can benefit from exchanging information on strategies, and the NAIC is the natural venue for these discussions, as it has the expertise, experience, and knowledge about financing this type of care. The need for LTC is growing, and the pace and demand for care and caregivers will rapidly outpace families' abilities to provide care. The NAIC and the Senior Issues (B) Task Force is the best place for the discussion of LTC benefits, cost, and financing, and she urged the Task Force to hold an interim meeting to discuss these important matters. There is unlikely to be a one-size-fits-all solution, and a combination of strategies will be more likely. Consumers will benefit when states have good information about financing LTC and LTSS through various public, personal, and insurance funding streams.

Schoonveld said there are state and federal pursuits in combining public and private LTC solutions, and there are many studies on the topic. He said that Burns mentioned Washington state had implemented a public LTSS/LTC program, and Massachusetts is releasing a study soon that would offer three different types of options, including front-end, catastrophic light, and catastrophic. He said California conducted a study, and Minnesota also conducted a study and now offers three design options. He said the California legislature removed the asset test for Medicaid eligibility, and it has also tested allowing individuals to qualify for Medicaid for not only acute care but also LTC needs earlier.

Schoonveld said Washington offers the WA Cares program, which is financed through a payroll tax, and benefits will be available in the next few years. He said the governor of Washington recently signed into law guidelines for building a supplemental LTC insurance product, and this new product describes a specific supplement to the WA Cares program, but it is not necessarily meant to impact the current LTC insurance market. The program is essentially building a separate product, as the consumer is faced with a variety of options when looking at their LTC needs. Washington offers traditional LTC insurance (LTCI), short-term care, chronic illness riders, life and annuity with LTC riders, group life with LTC offerings within the workplace, and even paid family medical leave. About a dozen other states also offer these products. There are other health products that address LTC needs, and now there is a supplemental LTC policy option.

Schoonveld said the Washington supplemental product could not be designed using the existing LTC regulations, but the state is developing additional regulations for this particular type of policy. Instead of using the existing LTC regulations for this market, it is defined as a separate product with some similarities. He said it will be interesting if carriers will write this type of policy or continue writing the same LTC policies. He said New York and Pennsylvania have been looking at options similar to WA Cares, but little movement has happened.

Schoonveld said the Well-Being Insurance for Seniors to be at Home Act (WISH Act) was reintroduced in Congress and would create a federal catastrophic LTCI program that provides financial support for disabled seniors while fostering a more vibrant private sector insurance market. He said the legislation seeks to save Medicaid dollars and keep older adults and families from impoverishment, with the aim of keeping people at home, where it is cheaper and more effective.

Schoonveld said the WISH Act seeks to enable the private insurance market to provide coverage for the first year of a potential waiting period into the program. He said the idea is to reduce the strain on private insurance long-duration claims. Lifetime policies have hampered the private insurance market in the traditional LTC market, and the WISH Act would remove that lifetime risk from the private insurance market, allowing the market to focus on the first year or two of needs and have an opportunity to keep that person in a safe environment at home.

Schoonveld said a recent Employee Benefit Research Institute (EBRI) study examined employees' awareness of, access to, and perspectives on LTC financing. He said the study found 61% expect their loved ones to rely upon Medicaid for their LTC needs, and 64% would pay an additional state payroll tax during their working years for an LTC benefit, akin to WA Cares. He said the study found that 57% would pay higher Medicare taxes for LTC benefits, 56% would prefer a public/private program to provide an LTC benefit, and 55% would pay higher Social Security taxes.

Schoonveld said that despite all the current state experiments and federal initiatives to reduce the burden on Medicaid and help increase the private insurance market, the important question is what can be done to provide the middle income market with a public-private solution and what needs to be done with insurance regulations to build that market and allow public-private collaborations like in Washington, Massachusetts, and with the WISH Act.

Commissioner Kipper asked whether any studies have explored why survey participants are not participating in the current LTC marketplace, either through a standalone LTC policy or a rider. Schoonveld said many consumers, even those in their mid-50s, view LTC needs as something they do not need to worry about yet, and they also cite other current financial pressures. He said that is why LTC riders on life products do well: the person is dealing with death benefit concerns and their mortality risk at the same time.

Burns said that if consumers are provided with multiple options on an insurance product that they do not understand or are complicated, they will not take action. The risk to states is growing at an unprecedented rate, and something is going to happen. She said that there needs to be a discussion now, and the NAIC is the perfect place for that discussion to happen, as no other entity has the same level of experience. With studies on the topic being conducted across the country, the information that is gathered must be coordinated, and she reiterated that the NAIC is the place to have these discussions.

Commissioner Kipper asked how these public-private programs implemented in states like Washington, California, and Massachusetts work in states like Nevada or North Dakota, where there is not an enormous population and it is somewhat transitory. Schoonveld said there is an opportunity in those states because there is more of a blank slate, with no existing provider networks. He said there may be issues if there are not enough caregivers in rural or less-populated areas, but those are opportunities to develop alternative solutions.

Burns said it would be good to come up with the same solution. There are a variety of solutions out there, but lawmakers have not talked enough about them to know how they might work in a particular state.

Gavette asked whether the lack of available facilities, which drives the cost of care, was addressed in any of the studies. Burns said if you look at the claims data for some companies, most of the benefits are being paid for home/community-based care and less for institutional care. Schoonveld said the existing policies, whether they are LTC riders or traditional LTC, do have alternative plans of care solutions that support informal caregiving and independent caregivers.

Bartuska said the information presented is useful, but it would be a big lift for some states. She said some of these studies would be useful to share with the Task Force, particularly the rural findings.

Having no further business, the Senior Issues (B) Task Force adjourned.

[June 10 Minutes](#)