

May 3, 2018

Commissioner Lori K. Wing-Heier  
Chair, Senior Issues Task Force  
National Association of Insurance Commissioners  
444 North Capitol Street NW  
Suite 700  
Washington, DC 20001  
Via email: [dtorian@naic.org](mailto:dtorian@naic.org)

RE: Comments on the Limited Long-Term Care Model Act and Regulation Exposure Drafts

Dear Commissioner Wing-Heier,

I am writing on behalf of Guarantee Trust Life Insurance Company (GTL). Thank you for the opportunity to comment on the NAIC's Limited Long-Term Care Model Act and Regulation Exposure Drafts.

Founded in 1936, GTL is a legal mutual reserve company which provides a portfolio of competitive supplemental health, accident, life and special risk insurance programs. Through our independent agents and brokers, we serve individuals and families in 49 states and the District of Columbia.

Limited long-term care insurance is a growing market with expanding interest and demand. The product is designed to help protect consumers from high and increasing costs. It gives individuals the option to receive care in a nursing home, assisted living facility or in the comfort of their own home.

GTL presently sells "Recover Cash: Short-Term Care Solution" (a nursing care product) and short-term home healthcare products in 31 states across the country. Our products help policyholders during those critical times when they need to focus on their well-being, instead of the financial burden of their care.

GTL believes limited long term care products are already sufficiently regulated as limited benefit health plans, because they are included in a drafting note<sup>1</sup> contained in the NAIC's ACCIDENT AND SICKNESS INSURANCE MINIMUM STANDARDS MODEL ACT. However, because the NAIC has continued efforts to craft a separate model for these products, we would like to submit the following comments.

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**<sup>1</sup> Drafting Note: The NAIC Long-Term Care Insurance Model Act defines long-term care insurance as a policy that provides coverage for not less than twelve months. If a state allows issuance of policies that provide benefits similar to long-term care insurance for a period of less than twelve months, then those policies should be considered limited benefit health plans, and should be subject to this Act and its implementing regulation.**

We agree with the majority of comments submitted by the industry, but have the following concerns:

**Comments on Model Act:**

- **Title:** We disagree with the adoption of “Limited Long Term Care” as a moniker for the product and urge the subgroup to consider reintroducing the term “Duration,” as in “Limited Duration Long-Term Care.” The current title (Limited Long-Term Care) is easy to misinterpret – “limited” might refer to the type of care, the dollar amounts available for care, or any number of the product’s features. The shorter benefit period of this product is one of its most significant differentiators and should be noted in any title referring to it.
- **Section 4 A.** We agree with changing the original wording of “less than 300 days,” but suggest using “up to 364 days” instead of “less than (12) consecutive months.” This will be clearer and less likely to be misinterpreted.

**Comments on Model Regulation:**

- **Section 13.** Permanently stating, or “hard coding” a requirement, and/or a specific percentage of inflation protection in the model will have a negative effect on the availability of these products to consumers. While GTL offers inflation protection on one of our limited long-term care policies, other carriers do not. Inflation protection riders tend to be the biggest driver of higher premiums. Limited long-term care insurance is often used by consumers as an alternative or supplement to long-term care insurance. Including provisions in the model which drive up premiums will make these products cost prohibitive, and unaffordable for consumers most in need of the product’s protections.

GTL commends the hard work of the subgroup, and encourages you to continue to seek insight from carriers who sell limited long-term care insurance, and consumers who benefit from these products.

We appreciate your attention to our comments.

Sincerely,

Joseph Arite  
Government Relations  
Guarantee Trust Life Insurance Company