



NEW YORK STATE SENATOR

Shelley B. Mayer

Senator Mayer and Assemblymember Burdick Increase Protections for Long Term Care Consumers with New Law Signed by Governor Hochul

SENATOR SHELLEY MAYER December 4, 2023

| ISSUE: **LONG TERM CARE INSURANCE**

(ALBANY, NY) - **Senator Shelley B. Mayer and Assemblymember Chris Burdick** announce their legislation, S.2330B/A.345C, to require additional transparency for individuals considering purchasing long term care insurance and for current policyholders facing rate increases, has been signed into law by Governor Kathy Hochul.

According to the [Department of Health and Human Services](#), 70% of people who turn 65 will need long term care services. Despite this widespread need, our system of private long term care insurance is failing many New Yorkers. Policy holders who have been paying premiums for years are faced with unsustainable increases, particularly for policyholders on fixed incomes. [Some policy holders'](#) premiums doubled in just a year or two. The [Department of Financial Services](#) has approved premium rate increase requests for different long term care policies averaging a double digit percent almost every year between 2006 and 2021.

For far too long the Department of Financial Services and the insurance companies have viewed themselves as the primary parties involved in the premium rate increase process. This legislation gives policyholders a voice in that process, ensuring they have an opportunity to comment publicly on any proposed increases. And it will give prospective

customers transparency about the potential for future rate increases.

State Senator Shelley B. Mayer said, “I am pleased New York is taking this step to protect consumers of long term care insurance. Long term care insurance was supposed to provide a lifeline to New Yorkers who need care as they age. Instead policyholders have been forced to decide between accepting unaffordable premium increases, reducing their benefits, or dropping their coverage altogether. New customers are offered only expensive policies with diminished benefits. While I continue to advocate for structural changes to the way long term care is provided to New Yorkers, this bill will provide needed transparency to prospective customers and policyholders and ensure they have a voice when rate increases are reviewed. I want to thank Assemblymember Burdick for his partnership on this bill and Governor Hochul for signing it.”

Assemblymember Chris Burdick said, “I am delighted that the Governor has signed this commonsense bill to provide insurance premium transparency. It was wonderful partnering with Senator Mayer to get this important legislation over the finish line. Policy holders no longer will be blindsided by sharp increases in premiums for insurance that is essential to their peace of mind and that of their loved ones. It is a fair and equitable system for policyholders to be able to make informed decisions before increases become effective. I am hopeful that it may prompt insurance companies that are considering imposing an increase to reconsider doing so or moderating it. This is a great consumer protection victory.”

"For far too long New Yorkers, particularly senior citizens, have been experiencing sudden large increases to their long term care insurance premiums. This new law signed by Governor Hochul will bring much needed transparency to the rate setting process. I applaud Senator Mayer for her staunch advocacy on behalf of our seniors in helping to make sure this bill was signed into law," **said Senator Neil Breslin, Chair of the Senate Insurance Committee.**

“As the Chair of the NYS Assembly Insurance Committee, I was proud to co-sponsor A345, a bill that requires the Department of Financial Services and insurance companies to make premium rate changes public. For too long, long-term care insurers have been surprising their policyholders with significant rate increases leaving some of our most vulnerable residents scrambling to pay double or even triple their original premium. As a result, many policyholders are forced to drop their policies due to the high cost. This legislation will give policyholders more clarity and a stronger voice when insurance companies attempt to raise premiums by increasing transparency, requiring additional background information, and providing time for public comment when rate increase applications are under consideration. Long term care coverage is a safety net for our later years - covering long nursing home stays, health care aides at home, adult day care, and assisted living. I applaud Governor Hochul for signing this critical piece of legislation to create greater consumer protections,” **said Assemblyman David Weprin, Chair of the Assembly Insurance Committee.**

This legislation requires long term care insurance companies to disclose certain information to prospective customers including: past premium rate increases over the last ten years for the relevant policy or certification, whether or not there is a period in which rates will not change and if so, when that period elapses, whether or not their premium may change and under what circumstances and if such changes need to be approved by the Department of Financial Services, what options they will have available to mitigate premium increases and what options are available if their premium does increase, including cancelation, and a statement that the insurer must notify DFS of request rate increases, and prospective insured have a right to submit a public comment. Additionally, the bill required DFS to provide public notice when an insurer requests a rate increase, accept public comments on the increase, and provide public notice of the Superintendent’s decision. Lastly, the bill requires insurers to notify existing policy holders no later than ninety days prior to a premium rate increase taking effect.