



State of New Hampshire Insurance Department

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FOR IMMEDIATE RELEASE

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New Hampshire Insurance Department Issues FAQ Regarding Long Term Care Rate Increases

CONCORD, NH (February 18, 2022) – Today, New Hampshire Insurance Department (NHID) released a Frequently Asked Questions document with information for consumers regarding rate increases on Long Term Care insurance policies.

Long Term Care (LTC) insurance is one way that individuals can pay for nursing-home care, home-health care and personal or adult day care services. This type of insurance, introduced in the 1980's as nursing home insurance, may pay the service provider directly or provide reimbursement to the policy owner.

In 2018, the New Hampshire Insurance Department implemented a rule that would limit the premium rate increase an issuer could impose based on the insurer's attained age. However, a 2021 New Hampshire Supreme Court decision invalidated this rule. As a result, a number of companies have sought increases that had been previously denied under the prior rule.

Rates for LTC insurance are increasing for several reasons. Issuers make assumptions regarding the number of policyholders who will let their coverage lapse (i.e. stop paying premium before making a claim), and the premiums paid by lapsing policyholders become available to support persisting policyholders who don't lapse.

"Issuers are finding that fewer policyholders are lapsing than what they had expected," said Keith Nyhan, Consumer Services Director at the NHID. "This means there are fewer dollars from lapsed policies to support persisting policyholders; more policyholders who are likely to make a claim; and fewer policyholders, since some have already lapsed, to absorb dollars needed to be raised in order to ensure the vitality of the block of business."

"Our goal at the NHID is for residents of the Granite State to be able to properly manage risk in a changing world," said Commissioner Christopher Nicolopoulos. "Recent court decisions have



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affected the way that the NHID can approve rate increases in the LTC market, and our department has produced this Frequently Asked Questions document to provide consumers with the information that they need to make informed decisions in a dynamic marketplace.”

The Frequently Asked Questions document is located at

<https://www.nh.gov/insurance/consumers/documents/ltc-consumer-faq-2022.pdf>.

For general information regarding LTC insurance, visit NHID’s Senior Services page at

<https://www.nh.gov/insurance/consumers/senior.htm>.

The New Hampshire Insurance Department Can Help

The New Hampshire Insurance Department’s mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. Contact us with any questions or concerns you may have regarding your insurance coverage at 1-800- 852-3416 or (603) 271-2261, or by email at consumerservices@ins.nh.gov. For more information, visit <https://www.nh.gov/insurance>.

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