



March 24, 2022

Dear Chair Stephenson:

Re: HF4031

The Minnesota Association of Health Underwriters is the largest association that represents health insurance and employee benefit agents. Our clients are individuals and employers throughout the state. More than any other group, we represent the voice of consumers.

Today, I am writing on behalf of MAHU in support of HF4031 authored by Representative Lillie. Insurance companies face statutory obstacles to developing innovative new long-term care insurance (LTCi) products. This legislation provides regulatory flexibility to the Department of Commerce so that new types of affordable LTCi can be made available to meet consumer needs.

One example would be the development of a private sector product where a term life policy can be converted to LTCi and where it's reserves could be internally transferred within the same contract to cover long term care.

Typically, most individual term-life policies or group term-life policies run out around age 65. A consumer's life insurance needs typically diminish over time, while the need for LTCi becomes a greater concern as they age. A term policy that addresses both life and LTC needs is currently not available and cannot be approved under Minnesota's insurance statutes. This bill would give the Department of Commerce the regulatory flexibility to address this need.

Sincerely,

/s/

Tom Wright  
Chair, MAHU Legislative Committee