Dear Ms. Muehlberger

Re: 2/28/2023 MIA meeting

My wife and I hold Genworth 7052MD form LTC policies and we have not even finished the two year premium increase approved my MIA on 3/23/2021 when we find that Genworth is seeking ANOTHER increase, this time for 188%, an increase that strains our credulity.

I cannot attend the 2/28/23 public meeting and request that this communication be entered into the record.

I object vehemently to this proposed increase on the following basis:

1. MIA approved a premium increase less than 2 years ago. Is there not a period after the approval before they can apply for another increase?
2. Genworth in their 2020 filing requested a 66.3% rate increase and were granted a 26.6% increase in 2021. Therefore, by Genworth's own calculation, there could only, at a maximum, be an additional 39.7% increase 'needed' by Genworth to fully fund the future benefits, including their profits. From their 2020 filing:
    - Policies to which this premium rate increase filing applies may also be subject to future additional rate increases if the full amount of the rate increase requested in this filing is not approved or if underlying assumptions are not realized and the future experience exceeds a 15% MAE. We defined "exceeds a 15% margin" as any change that results in a lifetime loss ratio greater than projected in Exhibit II of this memorandum.
3. I again register my objection to the justification of the rate increase in Genworth's filing (Item 3) being redacted – EVERY SINGLE WORD
4. The Covid-19 pandemic and opioid epidemics have both increased mortality in all age ranges, particularly those relevant to LTC insurance claims. This MUST be decreasing the payouts for Genworth and other LTC companies compared to their calculations for the last premium increase requested in 2020 and granted in 2021
5. The increase in interest rates over the last 2 years must have significantly increased the income Genworth generates from its investments, including the $10,000's in premiums I have paid over the years.
6. I would like to be assured that the costs of the proposed, and failed, sale of the company to China Oceanwide Holdings Group Co. Ltd., including the delay of the merger 17 times and final abandonment of the deal, have not been included in costs that Genworth have used to justify this increase.

If companies like Genworth are allowed to increase their premiums in ways such as those they are requesting, the LTC market will completely collapse within a few years as premiums will be completely unaffordable. I understand that circumstances might arise that increase the projected claims on policies but Genworth cannot claim, unless they are totally incompetent or criminally negligent, that those projected claims now are 122% higher than their calculations in their 2020 filing. In fact, the financial situation has actually improved (see points 4 and 5 above) over the last few years since their last increase.

I call on the MIA to perform its statutory duty and reject this requested increase.  Should the MIA decide to allow some premium increase, however unjustified, they should add a requirement that no further premium increases may be sought for the lives of the policies.

Please redact my address and telephone numbers before publishing this communication

Thank you

John Taylor

Dear Ms. Muehlberger:

My husband, John, and I have a Genworth LTC policy (7052MD) which will be discussed at your February 28th meeting. We took out the policy in 2014 when we were 70 and 66, respectively, and currently pay about $7,500 for our combined premiums. This amount includes a couples discount. We have just absorbed the 12.5% increases the MIA approved in 2020.

Over the last 8 years, we have paid about $47,000 in premiums to Genworth. Our policy includes a 3% compounded inflation protection clause and now has a lifetime maximum benefit of about $211,000 after a 90 day elimination period. We have never used any of the benefits covered by this policy.

We did a simple computation compounding that $7,500 premium if it were to increase 15% each year over the next 11 years, as requested in the submission Genworth has presented to your Administration. After 11 years, that $7,500 premium would be $27,392.94 or more---per year. That is not insurance; that does not combine the risk of all the clients who have purchased (and will have purchased) long-term care insurance from Genworth. That is a large percentage of the cost of out of pocket expenses paid directly for care. That is an exorbitant price for a policy which would, after those 11 years, pay only $292,073 toward health care costs. By that time, we would have paid about $180,000 in additional premiums.

That means that the cost of the policy benefit of $292,073 would be more than it is worth. We are not actuaries or insurance brokers, but that is not insurance. If it were, no one would ever be able to afford life insurance.

We understand that only about 3,500 Marylanders have this policy, and we understand that costs have gone up everywhere. We understand that insurance companies offer products based on assumptions which may not prove valid years later. But this proposal seems designed, frankly, to force all 3,500 policyholders out of Genworth's client base. Perhaps they made a serious error in offering a policy with these terms. But policyholders, especially ones who have never even used the policy, should not be made to forfeit their sizable interests in them because Genworth made these errors.

We realize that all insurance involves risk taking on the part of the insurers as well as the insured. We undertook our part of that risk willingly. But please do not allow the increases requested in Genworth's application. We purchased this insurance to safeguard against losing all our assets and having to rely on programs such as Medicaid for our senior care. How will it help the citizens or the state of Maryland if we are all now forced out of this pool so that the state has to help pay for that care should we be fortunate enough to live a few more years?

If we have made errors in these calculations, we apologize.  But the scope of their request is breath taking, even if these figures are not exact.

Thank you for your attention to our concerns.

Patricia Grega

# Thomas & Phyllis Scott

March 1, 2023

Mr. Brad Boban
Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, MD  21202

Dear Mr. Boban,

First, let me thank you, Mr. Ji and Mr. Zimmerman for your diligence in balancing the needs of your constituents, both consumers and the insurance companies, to sustain their respective circumstances. Without your intervention we would be financially forced out of a contract purchased to provide the Long Term Care insurance (LTCi) benefits originally intended. To that end, we are grateful and appreciative of the MIA. Having worked in public service, I know that you and your staff do not hear that enough.

Much of what follows repeats what I said in the hearing MIA recently conducted. My wife and I purchased LTCi policies in 2002 from General Electric (now GenWorth) which provided an unlimited term and amount, premium waiver, and survivor waiver. In the attachment 1 (spreadsheet) there is detail on the initial premiums, and actual increases through 2024. MIA has approved four increases, i.e. 2014-16; 2018; 2021; & 2022-24 for a total of eight years. Each annual increase has been 15%, the maximum allowed by rule/law. We do not know how many requests from Genworth have been denied or modified since we have not seen any public information reports noting them. If we project from this year at 15% per annum, the polices we purchased in 2002 for a premium total of $3,315 will rise to over $35,000 by 2033 when we would likely need the LTCi benefits. From a personal financial planning perspective, we need to know the point at which the premium increase pains stop!

Brad, I know you stated at the hearing that this premium projection is not realistic and highly unlikely. However, contractually there is little or no recourse for us other than the MIA or selecting one of the Genworth options to reduce our costs and coverage. We purchased these policies in large part due to the conviction that LTC is probable, the history of stable premiums that GenWorth was happy to relate, and the freedom to choose our future rather than have a government (State/Federal) choose it for us. You can understand our reluctance to change from the original 2002 plan to some other one (proposed by GenWorth) due to their lack of credibility. I believe you alluded to this credibility somewhat in questioning the use of 15% vs. 10% for adverse conditions assumptions.

Further, GenWorth tried to sell this book of business to a firm in China without success (although the offer is still active); from their 2019 announcement new individual policy business is no longer a product line, and the nature of premium increases leads us to believe they are trying to get rid of current policy-holders. GenWorth is not trying to add better priced LTCi products to balance their past failures, but are actively trying to get this product out of their portfolio. Simply stated, we don't think GenWorth is keeping the current policy-holders interest anywhere near the level of their interest in the bottom-line. .

To answer Mr. Ji's question - what will we do if GenWorth is granted continued increases: we are discussing options with our financial planner. This discussion will help in deciding what is best for us because a $35,000 premium is not an option.

It is ironic that we personally need to transfer the funds from the recent Maryland Senior tax credit to GenWorth as they continue to negatively affect seniors.

Thanks again for your efforts.

Sincerely yours,

Thomas W Scott Phyllis C. Scott

cc: Wes Moore, Governor State of Maryland
Andy Harris, Congressional Representative
Jason Gallion, State Senator
Michael Griffith, State Representative
Teresa Reilly, State Representative

Genworth Long Term Care Insurance Premiums - Projection

| Year | Thomas-Premium | Age | Cumulative Paid | Phyllis-Premium | Age | Cumulative Paid | Total Premium | Cumulative Paid | Daily Benefit |
|---|---|---|---|---|---|---|---|---|---|
| 2002 | $1,696.50 | 56 | $1,696.50 | $1,618.50 | 55 | $1,618.50 | $3,315.00 | $3,371.00 | $130.00 |
| 2003 | $1,696.50 | 57 | $3,393.00 | $1,618.50 | 56 | $3,237.00 | $3,315.00 | $6,686.00 | $136.50 |
| 2004 | $1,696.50 | 58 | $5,089.50 | $1,618.50 | 57 | $4,855.50 | $3,315.00 | $10,001.00 | $143.33 |
| 2005 | $1,696.50 | 59 | $6,786.00 | $1,618.50 | 58 | $6,474.00 | $3,315.00 | $13,316.00 | $150.49 |
| 2006 | $1,696.50 | 60 | $8,482.50 | $1,618.50 | 59 | $8,092.50 | $3,315.00 | $16,631.00 | $158.02 |
| 2007 | $1,696.50 | 61 | $10,179.00 | $1,618.50 | 60 | $9,711.00 | $3,315.00 | $19,946.00 | $165.92 |
| 2008 | $1,696.50 | 62 | $11,875.50 | $1,618.50 | 61 | $11,329.50 | $3,315.00 | $23,261.00 | $174.21 |
| 2009 | $1,696.50 | 63 | $13,572.00 | $1,618.50 | 62 | $12,948.00 | $3,315.00 | $26,576.00 | $182.92 |
| 2010 | $1,696.50 | 64 | $15,268.50 | $1,618.50 | 63 | $14,566.50 | $3,315.00 | $29,891.00 | $192.07 |
| 2011 | $1,696.50 | 65 | $16,965.00 | $1,618.50 | 64 | $16,185.00 | $3,315.00 | $33,206.00 | $201.67 |
| 2012 | $1,696.50 | 66 | $18,661.50 | $1,618.50 | 65 | $17,803.50 | $3,315.00 | $36,521.00 | $211.76 |
| 2013 | $1,696.50 | 67 | $20,358.00 | $1,618.50 | 66 | $19,422.00 | $3,315.00 | $39,836.00 | $222.34 |
| 2014 | $1,950.98 | 68 | $22,308.98 | $1,861.28 | 67 | $21,283.28 | $3,812.26 | $43,648.26 | $233.46 |
| 2015 | $2,243.63 | 68 | $24,552.61 | $2,140.47 | 68 | $23,423.75 | $4,384.10 | $48,032.36 | $245.13 |
| 2016 | $2,580.17 | 70 | $27,132.78 | $2,461.54 | 69 | $25,885.29 | $5,041.71 | $53,074.07 | $257.39 |
| 2017 | $2,580.17 | 71 | $29,712.95 | $2,461.54 | 70 | $28,346.83 | $5,041.71 | $58,115.78 | $270.26 |
| 2018 | $2,580.17 | 72 | $32,293.12 | $2,461.54 | 71 | $30,808.37 | $5,041.71 | $63,157.49 | $283.77 |
| 2019 | $2,967.31 | 73 | $35,260.43 | $2,830.81 | 72 | $33,639.18 | $5,798.12 | $68,955.61 | $297.96 |
| 2020 | $2,967.31 | 74 | $38,227.74 | $2,830.81 | 73 | $36,469.99 | $5,798.12 | $74,753.73 | $312.86 |
| 2021 | $3,412.40 | 75 | $41,640.14 | $3,255.43 | 74 | $39,725.42 | $6,667.83 | $81,421.56 | $328.50 |
| 2022 | $3,924.26 | 76 | $45,564.40 | $3,743.74 | 75 | $43,469.16 | $7,668.00 | $89,089.56 | $344.93 |
| 2023 | $4,512.90 | 77 | $50,077.30 | $4,305.31 | 76 | $47,774.47 | $8,818.21 | $97,907.77 | $362.18 |
| 2024 | $5,189.83 | 78 | $55,267.13 | $4,951.10 | 77 | $52,725.57 | $10,140.94 | $108,048.71 | $380.28 |
| 2025 | $5,968.31 | 79 | $61,235.44 | $5,693.77 | 78 | $58,419.34 | $11,662.08 | $119,710.78 | $399.30 |
| 2026 | $6,863.56 | 80 | $68,099.00 | $6,547.83 | 79 | $64,967.17 | $13,411.39 | $133,122.17 | $419.26 |
| 2027 | $7,893.09 | 81 | $75,992.09 | $7,530.01 | 80 | $72,497.18 | $15,423.10 | $148,545.27 | $440.23 |
| 2028 | $9,077.05 | 82 | $85,069.14 | $8,659.51 | 81 | $81,156.69 | $17,736.56 | $166,281.83 | $462.24 |
| 2029 | $10,438.61 | 83 | $95,507.75 | $9,958.43 | 82 | $91,115.12 | $20,397.04 | $186,678.87 | $485.35 |
| 2030 | $12,004.40 | 84 | $107,512.15 | $11,452.20 | 83 | $102,567.32 | $23,456.60 | $210,135.47 | $509.62 |
| 2031 | $13,805.06 | 85 | $121,317.21 | $13,170.03 | 84 | $115,737.35 | $26,975.09 | $237,110.56 | $535.10 |
| 2032 | $15,875.82 | 86 | $137,193.03 | $15,145.53 | 85 | $130,882.89 | $31,021.35 | $268,131.92 | $561.85 |
| 2033 | $18,257.19 | 87 | $155,450.22 | $17,417.36 | 86 | $148,300.25 | $35,674.56 | $303,806.48 | $589.95 |
| 2034 | $20,995.77 | 88 | $176,446.00 | $20,029.97 | 87 | $168,330.22 | $41,025.74 | $344,832.22 | $619.44 |
| 2035 | $24,145.14 | 89 | $200,591.13 | $23,034.46 | 88 | $191,364.69 | $47,179.60 | $392,011.82 | $650.41 |
| 2036 | $27,766.91 | 90 | $228,358.04 | $26,489.63 | 89 | $217,854.32 | $54,256.54 | $446,268.36 | $682.94 |
| 2037 | $31,931.95 | 91 | $260,289.99 | $30,463.08 | 90 | $248,317.40 | $62,395.03 | $508,663.39 | $717.08 |

Notes:
2014 GW requested 60% from Maryland Insurance Administration (MIA), allowed 15% per year.
2015 15% increase
2016 15% increase
2017 GW tries to sell LTC book of business to Chinese - stopped by Committee on Foreign Investment in US (CFIUS).
2018 GW granted by MIA for increase in premium of 15%
2019 GW plans to increase premium 150% over next 5-7 years. Limited to 15% per year by MIA. Announces they no longer sell individual LTC policies.
2021 15% increase.
2022 First 15% increase for a three year period approved by MIA
2023 Second 15% increase.
Projected:
2024 Third 15% increase
2025-2037 Assumes 15% increase per year.