

The National Association of Insurance and Financial Advisors (NAIFA) and the NAIFA Limited and Extended Care Planning Center (LECP) applaud Senator Walker and Representative Carbaugh's leadership to improve long-term care planning. We support HB 1405 and SB 261, replacing the Indiana Long Term Care Insurance Program (Partnership) with the Deficit Reduction Act Partnership.

The Indiana Long Term Care Insurance Program, also known as the "RWJ Partnership," was a pioneer, along with similar programs in New York, Connecticut, and California, in providing state incentives for its citizens to take responsibility for their long-term care risks. These programs were so successful they served as the model for DRA Partnership, established by Federal law in 2005.

In the intervening years, the inflexibility of policy design and special filing, and high inflation protection requirements have resulted in most companies dropping out of RWJ Partnership programs. The result has been dramatically shrinking sales of RWJ Partnership policies in all four original partnership states, including Indiana.

Great policy design and inflation protection flexibility, as well as simpler filing requirements, have resulted in many more companies participating in the 42 DRA states, all of which are showing robust sales in all traditional long-term care insurance policies, including those that qualify as DRA Partnership.

Indiana's own Lincoln Financial Group recently announced that it would start filing its Money Guard hybrid life-long term care insurance policies in DRA Partnership states. We believe this signifies that DRA Partnership encourages innovation in policy design more favorable to the consumer than does RWJ Partnership.

The NAIFA Limited and Extended Care Planning Center believes that anything that encourages the average citizen to assume the responsibility for their own long-term care rather than relying on the government is a healthy thing. Judging from the two programs' sales, LECP suspects DRA Partnership does this better than RWJ Partnership.

HB 1405 and SB 261 are win-win-win legislations. Financial advisors win by having more long-term care planning options available to show to their clients. Indiana consumers win by getting more affordable long-term care insurance options and state incentives to purchase them. The state of Indiana wins by encouraging more of its citizens to buy private long-term care insurance, thereby relieving the state of significant Medicaid risk.

We urge you to support HB 1405 and SB 261 and stand ready to promote the DRA partnership in Indiana.

Sincerely,

Carroll Golden

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Executive Director, LECP Center

A handwritten signature in black ink, appearing to read "Diane Boyle". The signature is fluid and cursive, with the first name "Diane" and last name "Boyle" clearly distinguishable.

Diane Boyle
Senior Vice President – Government Relations
NAIFA