3/28/2025

Dear Legislators:

NABIP Minnesota, the local market chapter of the National Association of Benefit and Insurance Professionals, supports the provision in S.F. No 2457 related to limited long-term care insurance.

With the leading edge of the baby boomers turning 80, the need for home healthcare, assisted living, and nursing home care is expected to grow dramatically. These "extended care custodial services" are not covered by group health, ACA, and Medicare plans. As a result, paying for this care out of pocket is a tremendous burden for Minnesota families.

Today, 66.5 % of bankruptcies are due to medical expenses (including long-term care) making it the leading cause for bankruptcy in Minnesota and across the country[1]. Once an individual depletes their assets, the burden of care falls to Minnesota's Medical Assistance program. The Minnesota Own You're Future 3.0 group is conducting additional research on the impacts of the aging Minnesota population on the Medical Assistance program.

Traditional long-term care insurance plans, as well as hybrid life and annuity plans with long-term care riders play a role. Most plans are hard to qualify for and too expensive for many Minnesotans.

Today's limited long-term care plans provide robust benefits, simplified underwriting, and flexible plan designs. These products are widely available in states across the country and will fill a critical product gap in the Minnesota market.

The association asks you to support the Administrations limited long-term care legislative proposal that will provide vital coverage to Minnesotans and mitigates the cost of long-term care services to the Medical Assistance program.

Thomas Wright
NABIP Minnesota, Legislative Chair

[1] Turner, Terry. "49+ US Medical Bankruptcy Statistics for 2023," Retire Guide 2023