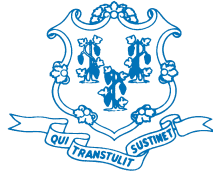


**State of Connecticut
GENERAL ASSEMBLY**



HARTFORD, CONNECTICUT 06106-1591

May 1, 2014

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90 State House Square 10th Floor
Hartford, CT 06103

Senator Chris Murphy
One Constitution Plaza, 7th Floor
Hartford, Connecticut 06103

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Representative Joe Courtney
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Representative Rosa DeLauro
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New Haven, CT 06510

Representative Jim Himes
888 Washington Boulevard, 10th Floor
Stamford, CT 06901

Representative Elizabeth Esty
114 West Main Street
Old Post Office Plaza, LLC
New Britain, CT 0605

Dear Sirs and Mesdames:

As we age, long-term care insurance offers us a path to living comfortably and independently in our own homes and communities. Investing in long-term care now will provide the tools we need to age in place later in life. Together, we must make a united effort to encourage people to realize

the importance of long-term care to better their futures. Today, we seek your support and ask you to advocate for a nationwide tax deduction for private long-term care insurance premiums. This relief will make long-term care insurance feasible for millions of people.

According to the Administration on Aging, 70 percent of people turning age 65 can expect to use some form of long-term care during their lives. Unfortunately only 8 percent of Americans have long-term care insurance policies, and the number one reason why people do not buy this insurance, according to a 2011 survey, is the high associated costs. According to the Connecticut Office of Fiscal Analysis, based on information from the American Association of Long Term Care Insurers and the University of Connecticut Health Center, the average annual premium of long-term care insurance is \$3,000, which can be an incredible burden. Offering a tax deduction would help offset these burdens, and make long-term insurance more accessible to everyone.

We all deserve the right and resources to remain in our own homes as we age. We deserve the safety and security of aging in familiar communities surrounded by friends, neighbors, and everyday comforts. Long-term care insurance makes aging in place a reality. By investing in this insurance today, people would have the means to access a range of daily services and supports later in life. These supports can include help bathing, dressing, eating, using the toilet, shopping for groceries, caring for pets, housework, managing money, taking medication etc.; all of which can enable an individual to live independently at home.

The importance of promoting aging in place, and its direct link to long-term care insurance, has led the Connecticut Insurance Committee leaders to seek your help in working towards passage of a federal "above-the-line" tax deduction for private long-term care insurance premiums. While individuals can currently claim a deduction on their federal income taxes for the costs of long term care, they can only do so if they itemize their deduction. The Insurance Committee is seeking support for a federal deduction that would come off the gross income, before the adjusted gross income is determined.

The majority of people do not itemize deductions when filing their taxes, with recent data from Urban Institute showing that only 30 percent of individuals did so in 2010. By implementing an "above-the-line" deduction, it will be easier for all eligible individuals to receive the deductions they qualify for, further incentivizing investment in long-term care.

Investing in long-term care insurance now allows people to live in ease in the future. It also offers more affordable care solutions, for both the individual and the state. Often, long-term care is paid for by the state through Medicare and Medicaid. As the baby boomer generation continues to age and our nation's senior population grows, there will be increased strain on these systems. Eventually, these state funded systems will not be able to accommodate sufficient care for everyone.

In the Connecticut state budget, the single largest expenditure is funding for long-term Medicaid services. In 2012, the state spent \$2.8 billion, or 10 percent of the annual state budget, on long-term care. As Connecticut's senior population grows, the costs of providing this care will increase beyond the state's capabilities, further straining the state budget. In our state, 14 percent of the population is over 65 years old. By 2032, the senior population is expected to

increase by nearly 69 percent, making nearly one quarter of the population over 65 years old. We have to act now, before the population grows beyond state-funded care capabilities.

We need to expand our efforts to apply to seniors nationwide. Unfortunately, the majority of legislation across the country does not embrace the principles of aging in place. Our approach to long-term care must be adjusted to create environments where people are empowered and motivated to seek the tools they need to stay healthy and happy, independent of state funded programs.

A long-term care insurance tax deduction would encourage individuals investments in health care, and would also promote the growth of a more independent generation of seniors that do not need to rely on state support and incredibly expensive institutionalize care.

Thank you for your time and attention on this matter. Together, we have to plan better for our futures, and making long-term care insurance more accessible is an important step in the right direction.

Sincerely,

Senator Joseph J. Crisco Jr. (D-17), Chair, Insurance & Real Estate Committee
Senator Kevin Kelly (R-21), Ranking Member, Insurance & Real Estate Committee
Representative Robert Megna (D-97), Chair, Insurance & Real Estate Committee
Representative Rob Sampson (R-80), Ranking Member, Insurance & Real Estate Committee