



**Frank Keating**  
President & Chief Executive Officer  
(202) 624-2300 t (202) 572-4840 f  
FrankKeating@acli.com

February 12, 2009

The Honorable Adam Putnam  
U.S. House of Representatives  
442 Cannon House Office Building  
Washington, DC 20515

The Honorable Joseph Courtney  
U.S. House of Representatives  
215 Cannon House Office Building  
Washington, DC 20515

Dear Representatives Putnam and Courtney:

On behalf of the American Council of Life Insurers (ACLI) whose member companies account for the overwhelming majority of long term care insurance coverage in the United States, I applaud you for introducing H.R. 897, "The Long-Term Care and Retirement Security Act," an important, bipartisan measure that encourages Americans to plan for their long-term care and retirement security needs.

With aging baby boomers and increasing costs, long-term care is a looming crisis. A one-year stay in a nursing home averages more than \$75,000 for a private room. By 2030, the same stay will cost an estimated \$148,000. Most Americans cannot save enough to cover these high costs—or costs for other long-term care services—on their own. Increasing costs also spell greater burdens on Medicaid and taxpayers when seniors must exhaust their assets to qualify. As you know, Medicare does not generally cover long-term care costs.

By allowing long-term care insurance to be offered in employer-sponsored cafeteria plans and flexible spending arrangements, this legislation could reach the many middle-class Americans who learn about their retirement security needs at their place of employment. Planning for long-term care constitutes an essential component of the retirement planning process.

In addition, the tax credits and consumer protections offered through your legislation will also encourage the purchase of long-term care insurance, helping to lessen the burden on American families by allowing them to protect hard-earned savings and cover the cost of long-term care services. Strong consumer protections for long-term care insurance are absolutely critical to making these policies meaningful and valuable to consumers.

With the introduction of this legislation you are making a valuable contribution to the long term care debate. I salute your leadership and look forward to working with you as this bill moves through the legislative process.

Sincerely,

Frank Keating