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August 26, 2026

Kaitlin Asrow
Acting Superintendent of Financial Services
New York State Department of Financial Services
One State Street
New York, NY 10004-1511

Re: Proposed Premium Rate Increases – 2027 Globe, United Healthcare, Emblem, Bankers, Humana, and Transamerica Medigap Plans

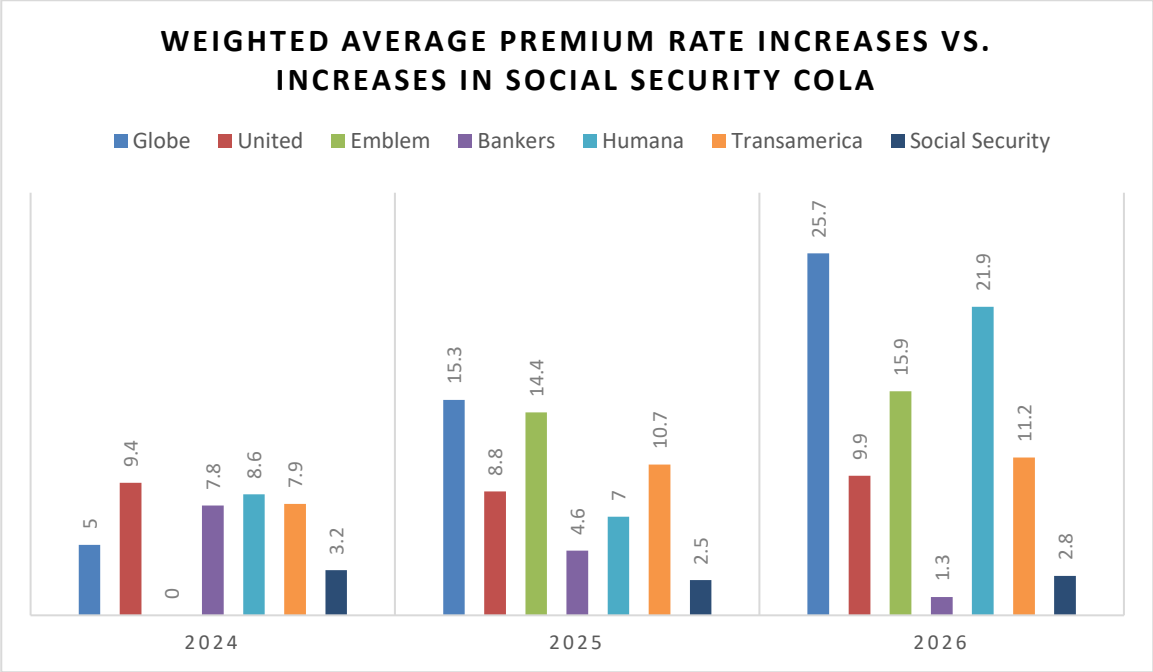
Dear Acting Superintendent Asrow:

This is a critical time for older adults who are struggling to cover increasing costs of food, housing, health care, and other essentials while living on a fixed income, particularly after experiencing significant increases in Medigap premiums during recent years. I write to strongly urge you to reject the requested premium rate increases submitted by six carriers currently offering Medigap Plans in my district: Globe Life Insurance Company of New York (Globe), AARP United Healthcare Insurance Company of New York (United), EmblemHealth Plan, Inc. (Emblem), Bankers Conseco Life Insurance Company (Bankers), Humana Insurance Company of New York (Humana), and Transamerica Financial Life Insurance Company (Transamerica).

As Medigap premium rate increases have become more significant over the past six years, increasing numbers of constituents have been contacting my office to express concerns about their ability to pay for food, medications, and other expenses. During the past couple of years, my constituents' concerns have escalated to whether they will be priced out of Original Medicare due to unaffordable rate increases. I urge you to weigh heavily on the side of protecting Medigap policy holders and approve the lowest-possible Medigap premium rates for 2027.

As you are aware, older adults rely on Medigap coverage in order to fully or partially cover the 20% of medical expenses that Original Medicare does not cover, thereby reducing out-of-pocket health care costs. Having adequate Medigap coverage provides security that is essential for individuals 65 and above living on a limited income. I hear from most constituents that they clearly prefer Original Medicare/Medigap over Medicare Advantage coverage because it affords greater access to health care providers and the care they need. They are very concerned about experiencing the issues with limited provider networks, prior approvals, and delays in receiving medical care that are associated with Medicare Advantage Plans.

The following chart displays the Medigap carriers' approved premium rate increases (weighted average) since 2024. Medigap providers had weighted average rate increases that significantly exceeded the Social Security Cost-of-Living Adjustment (COLA) during the past three years. Emblem did not offer Medigap coverage in 2024 and the one exception is Bankers, which had a 1.3% weighted average rate increase vs. the 2.5% COLA increase in 2025. For many older adults, this has likely meant dipping into their savings each month to help pay for Medigap coverage.



As illustrated below, Globe, United, Emblem, Bankers, Humana, and Transamerica have requested premium rate increases for 2027 that range from a weighted average of 11% to 25.1%, which overall are higher than last year's approved premium rate increases by a weighted average of 5.1%.

2027 Proposed Premium Rate Increases

Medigap Carrier	Members	Market Share	Proposed Premium Rate Increase and Weighted Average
Globe	45,127	9.7%	-0.5% - 24.5% (11%)
United	362,109	77.4%	11.6% - 13.5% (12%)
Emblem	3,960	0.9%	6.2% - 40% (14.7%)
Bankers	2,116	0.5%	0% - 34.3% (20.7%)
Humana	8,662	1.9%	0% - 29% (21.3%)
Transamerica	7,573	1.6%	24.3% - 25.4% (25.1%)

If the above proposed rates are approved, close to 100% of my constituents and other older adults living in New York City who have Medigap plans would be subject to an average premium rate increase of more than 10% and approximately 4.3% would face an average rate increase of above 20%, which would mean paying approximately $38.76-$102.13 and $44.70-$173.94 more in premiums per month for Plans B and G, respectively, as illustrated below.

Plan B and Plan G Rates in 2027 Based on Carrier Requested Rate Increases

	Medigap Plan B		Medigap Plan G	
	2026 Rate	*2027 Rate*	*2026 Rate*	*2027 Rate*
Globe	$449.00/$503.00	$498.39/$558.33	$461.00/$516.00	$511.71/$572.76
United	$323.00	$361.76	$372.50	$417.20
Emblem	$344.07	$394.65	$432.09	$495.61
Bankers	$676.14	$816.10	$840.28	$1,014.22
Humana	$347.88	$421.98	$709.98	$861.21
Transamerica	$406.90	$509.03	$444.83	$556.48

With a market share of 77.4%, many of my constituents and other older adults living in New York City have a United Medigap Plan. United offers the lowest-cost coverage, yet its premiums are still unaffordable for my constituents. Medicare beneficiaries must also pay monthly Medicare Part B and Part D premiums. In 2026, this means that a Medicare beneficiary who has a United Part G Medigap Plan pays at least $705 per month on Medicare premiums. This is a concerning portion of the fixed income that older adults have to live on. In 2024, retired workers in New York received a median monthly social security benefit of $1,958.94,[1] which must also cover housing and other essential costs.

In 2023, more than half of 65-and-over households in New York City rented their homes (over 60% in Manhattan), more than 61% of older adult tenants were rent burdened, and 30% of individuals 65 and above lived alone.[2] Being rent burdened means that an individual expends more than 30% of their income on rent, which may impact their ability to afford other essentials, including food, clothing, transportation, and health care.

Most of my older adult constituents do not have surplus income and many rely on SNAP, meals on wheels, and other meal programs; are enrolled in SCRIE or DRIE; and budget medical and prescription drug expenses in order to get by.

I value our strong state insurance laws that afford important protections for Medigap policy holders and the NYS Department of Financial Services (DFS) for the critical role that it serves by evaluating whether proposed premium rates are unreasonable, excessive, inadequate, or unfairly discriminatory in order to help ensure that rates are justified and affordable for New Yorkers. This is especially critical for older adults who have limited budgets. Many constituents contacted my office and submitted a public comment to express concerns about the unfairness of older adults facing yet another excessive premium rate increase and the financial impacts on their ability to cover essential costs, to access needed health care services, and even to keep living in New York. One constituent wrote, “Healthcare is not a luxury for older adults—it is a necessity. We depend on affordable and reliable coverage to maintain our health and independence.”

It is important to note that many of my constituents needed assistance with submitting a public comment because they were unable to do so using their cell phone. When accessing the DFS public comment portal via a cell phone browser, the drop-down menu does not function properly, making it impossible to complete the web form. Other constituents needed assistance with finding the public comment portal or with how to indicate in the web form that they have a Medigap plan. It is likely that many other constituents wanted to submit a public comment but had difficulty getting to or completing the web form and didn’t reach out to my office for assistance.

[1] See: https://www.osc.ny.gov/reports/budget/fed-funding-ny/social-security
[2] See: https://www.osc.ny.gov/files/press/pdf/report-22-2025.pdf

Justification of Proposed Medigap Premium Rate Increases

Globe, United, Emblem, Bankers, Humana, and Transamerica submit the following actuarial factors as justification for their concerningly-high premium rate increase requests: rising cost of healthcare & increasing utilization of health care services, impact of claims experience, Medical Loss Ratio (MLR) concerns, higher Medicare deductibles and copayments expected, members using more costly state-of-the-art medical equipment and services, and changing member demographics. I urge you to carefully examine these arguments and to approve the lowest-possible rate in order to protect Medigap policy holders who are already struggling financially.

Rising Cost of Health Care & Increasing Utilization of Health Care Services

The cost of health care is determined by factors such as market power of health care systems via consolidation, high-cost advances in medical technology and specialty drugs, price differentials based on site of service, tariffs, disruptions in the supply chain, and treatment of chronic and complex health conditions. Utilization refers to the volume of medical services that individuals avail themselves of. The carriers' rate filings show the most consistency regarding the rising cost of health care, with Globe, United, Emblem, Bankers, and Humana citing this actuarial factor as a basis for their proposed premium rate increases. Emblem specifies an anticipated 6.22% increase in medical costs in 2026 and 2027, which is reduced from the 8% increase in medical costs that this carrier estimated for 2025 and 2026.[3]

As we are painfully aware, the cost of health care services has been increasing to the point that health care affordability is now a regular topic of concern in health care discourse. But Emblem's forecasted 6.22% increase in medical costs appears to be inflated. Under Medicare, the cost of health care is managed by using standardized pricing formulas and cost-saving measures. MedPAC submits that from 2025-2034, Medicare prices should not increase faster than inflation.[4] Accordingly, approved rate increases for 2027 should be based on a more conservative assumption.

Globe and United are the two Medigap providers that assert increasing utilization of health care services is also a basis for requesting sizeable premium rates in 2027, with United specifying an increase in utilization of all health care services. This argument warrants close examination, as utilization data indicates otherwise. For example, although the data shows that there have been increases in utilization of certain prescription medications covered under Part B and hospital outpatient services, utilization of hospital inpatient, home health, and skilled nursing services have declined.[5][6][7]

Anecdotally, it is important to note that many older adult constituents have contacted my office because they were experiencing challenges with finding a Medicare provider and accessing the health care services they need due to Medicare physicians not accepting new patients, retiring, no longer accepting Medicare, or switching to a concierge model that most older adults cannot afford. As a result, some of my constituents expressed feeling as though they are paying Medigap premiums for no reason. Concierge practices may be mostly proliferating in my district, but difficulty finding Medicare providers is a more widespread issue.

I urge you to closely scrutinize whether the utilization trends of Globe's and United's members justify their significant proposed premium rate increases.

[3] See: https://myportal.dfs.ny.gov/documents/538523/45011077/EHPI_MedSupp_IND_Std-Mod_HPHP-134488712_Narrative

[4] See: https://www.medpac.gov/wp-content/uploads/2026/07/July2026_MedPAC_DataBook_SEC.pdf, page 7

[5] See: https://www.cms.gov/oact/tr/2026, page 6

[6] See: https://www.kff.org/health-costs/key-facts-about-hospitals/?entry=use-of-hospital-care-inpatient-utilization

[7] See: https://www.medpac.gov/wp-content/uploads/2026/07/July2026_MedPAC_DataBook_SEC.pdf, pages 113 and 117

Impact of Claims Experience
Claims experience denotes the record of health care costs for medical services and prescription drugs covered under Medicare Parts A and B for a specific insured group during an indicated period of time and informs the development of future premium rates. Claims experience is generally more stable with larger membership bases, while carriers with smaller market shares are more likely to have an adverse ratio of healthy to unhealthy policyholders. Bankers, Humana, and Transamerica state that rate increases are necessary due to the impact of claims experience, but do not specify the extent to which claims experience is unfavorable. Furthermore, it is notable that Emblem, which also has a smaller membership base, does not factor in unfavorable claims experience, while Mutual of Omaha Insurance Company, another Medigap carrier with a smaller market share that issues policies in New York City, does factor in unfavorable claims experience, but requests a much lower weighted average rate increase of 2.8%. Due to these gaps and inconsistencies, I urge you to request claims data from these carriers in order to help evaluate the actual impact of claims experience and to approve the lowest-possible rate increase accordingly.

Medical Loss Ratio (MLR)
The MLR is the percentage of each premium dollar that an insurance carrier spends on medical claims vs. administrative costs and profit and is one indicator of whether a proposed premium rate is reasonable. In New York, commercial for-profit Medigap carriers are required to meet a minimum MLR of 75% for group insurance (Transamerica and United) and 65% for individual insurance (Bankers, Globe, and Humana). Not-for-profit Medigap carriers are required to meet a minimum MLR of 80% for group and individual plans (Emblem).

Humana and Transamerica are the only carriers that request a premium rate increase to address MLR concerns. Humana indicates that the MLR for Plans F and F-HD is unsustainable and requests a higher rate increase for those plans to help decrease the MLR. Transamerica states that in 2024 and 2025, the MLR was above 100%, as compared with the target MLR of 75% and requests a rate increase of 25%.

These requests require close scrutiny. Market data shows that the MLR for the entire U.S. Medigap market was 84.5% in 2024 and 85.5% in 2025,[8] with individual Medigap carrier MLRs ranging from approximately 83% to above 90% in 2025.[9] Humana does not provide the current MLR for Plans F and F-HD or the target reductions in its rate filing, but it does include expected MLRs for each Medigap Plan in its Rate Manuals for 2024, 2025, and 2026,[10][11][12] as listed below:

[8] See: https://www.medicaremarketinsights.com/p/medigap-market-updates-june-2026
[9] See: https://www.medicaremarketinsights.com/p/medigap-market-updates-march-2026
[10] See: https://myportal.dfs.ny.gov/documents/538523/30694752/Humana_MedSupp_IND_Std-Mod_HUMA-133713158_Appr_RateMan.pdf
[11] See: https://myportal.dfs.ny.gov/documents/538523/43069714/Humana_MedSupp_IND_Std-Mod_HUMA-134143428_Appr_RateMan.pdf
[12] See: https://myportal.dfs.ny.gov/documents/538523/45011069/Humana_MedSupp_IND_Std-Mod_HUMA-134555586_Appr_RateMan

Humana's Expected Medical Loss Ratios for 2024 – 2026

Medigap Plan	2024	2025	2026
Plan F	79.3%	80.78% 79.3%*	79.3%
Plan F-HD	66%	66.04% 66%*	66%
Plan A	74.4%	78.4%	78.4%
Plan B	78.7%	78.7%	78.7%
Plan C	79.3%	79.3%	79.3%
Plan G	76.4%	76.4%	76.4%
Plan G-HD	67.6%	67.5%	67.5%
Plan K	78.6%	78.6%	78.6%
Plan L	78.6%	74.55%	78.6%
Plan N	74.1%	74.1%	74.1%

*The Rate Manual included two different expected MLRs for these plans

The above estimates suggest that Humana's Medigap Plan MLRs have remained largely consistent since 2024. With an estimated MLR of 66%/66.04% in 2026, Plan F-HD is just one percent above the minimum required MLR, yet Humana claims that this is unsustainable. The estimated MLR of 79.3%/80.78% for Plan F is significantly higher, but it is the same or within a percentage point of the estimated MLRs for Plans C, A, B, K, and L, and it falls below current Medigap Plan MLR norms. Without substantiation, a rate increase does not appear to be warranted, as 79.3% allows approximately 20% of premium dollars for administrative costs and profit.

Transamerica's reported MLR in excess of 100% in 2024 and 2025 is particularly concerning if this jeopardizes the carrier's ability to cover claims. But the request for a 25% premium rate increase is excessive and would have negative implications. Such a large rate increase would cause premiums to spike by approximately $100 per month, which is simply untenable for my constituents and other older adults residing in New York City, and would likely lead to a sizeable drop in membership. Furthermore, even though the minimum required commercial Group Plan MLR is 75%, as stated above, Medigap Plan MLRs were 83% - 90% in 2025. A higher MLR, within reason, causes a greater percentage of premium dollars to go directly to medical care, thereby increasing access to needed health care services. Using 25% of premiums on administrative costs and profit is exorbitant, particularly at a time when older adults are experiencing acute economic vulnerability. I urge you to approve the most moderate MLR target and the lowest rate increase possible.

Higher Medicare Deductibles and Copayments Are Expected

Globe and United point to an expectation of higher Medicare deductibles and copayments as a basis for their proposed premium rate increases. Medicare deductibles and coinsurance have mostly risen since 1970, but the size of annual increases has varied.[13] As illustrated below, there has continued to be fluctuation in the size of increases in deductibles and coinsurance during the past several years, with particularly high increases in 2026. The Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds estimate more moderate increases in 2027.

[13] See: https://www.cms.gov/oact/tr/2026, pages 206-207

Actual and Estimated Medicare Deductibles and Coinsurance, 2023-2027

	Part B Annual Deductible	Inpatient Hospital Deductible	Inpatient Daily Coinsurance	SNF Daily Coinsurance
2023	$226 (+$7)	$1,600 (+$44)	$400 (+$11)	$200 (+$5.50)
2024	$240 (+$14)	$1,632 (+$32)	$408 (+$8)	$204 (+$4)
2025	$257 (+$17)	$1,676 (+$44)	$419 (+$11)	$209.50 (+$5.50)
2026	$283 (+$26)	$1,736 (+$60)	$434 (+$15)	$217.00 (+$7.50)
2027 Estimates	**$292 (+$9)**	**$1,788 (+$52)**	**$447 (+$13)**	**$223.50 (+$6.50)**

Globe and United base their requested rate increases on a speculative assumption that the increase in deductibles and copayments will be higher than usual in 2027, which is not supported by the Boards of Trustees' Medicare deductibles and coinsurance estimates. It would be reasonable to approve premium rates that are based on the Boards of Trustees' estimates, or lower if possible.

Members Using More Costly State-of-The-Art Medical Equipment and Services

United is the only Medigap provider that seeks to justify its premium rate increase request based on use of more costly state-of-the-art medical equipment and services. The Medicare Payment Advisory Commission (MedPAC) reports that the 20 highest-expenditure Part B prescription drugs in 2024 were prescribed for purposes of treating cancer, arthritis, autoimmune disease, inflammatory bowel disease, and macular degeneration, including four skin-substitute medications, which represent the highest average medication costs per user.[14] New medical technologies include robotic surgery, advanced imaging, and AI-assisted diagnostics. United does not substantiate this argument with data to demonstrate increasing utilization of these higher cost treatments and services. Without substantiation, the approved rate increase should not factor in this actuarial consideration, or it should be based on a conservative assumption.

Changing Member Demographics

United is the only carrier that points to changing member demographics as a justification for its requested rate increase. The data shows that overall Medicare spending increases as beneficiaries age, particularly above the age of 80 and peaks in the mid-to-late 90's. For example, in 2024 the average Medicare spending per beneficiary at age 66 was $10,926, $15,476 at age 75, $21,330 at age 85, and $24,415 at age 95.[15] United does not provide member age distribution data to justify this basis for a rate increase, and other sources of data do not support United's position. In 2023, 96% of Medicare beneficiaries reported having fair to excellent health,[16] which is a slight increase from the 95.3% who reported the same in 2021, suggesting a positive health trend. Furthermore, MedPAC does not expect changing beneficiary demographics to be a driver of Medicare spending.[17] Without substantiation, it would be reasonable to reject the request for a premium rate increase based on changing member demographics.

Globe, United, Emblem, Bankers, Humana, and Transamerica have proposed excessive and unreasonable Medigap premium rate increases for 2027 that are based on unfounded, inflated, and speculative actuarial assumptions. It is clear that approval of the proposed rate increases would be untenable for older adults living on fixed incomes who are already struggling to cover costs under an inflated economy and after facing significant increases in Medigap premiums during recent years.

[14] See: https://www.medpac.gov/wp-content/uploads/2026/07/July2026_MedPAC_DataBook_SEC.pdf, page 153
[15] See: https://www.kff.org/medicare/the-facts-about-medicare-spending/?entry=table-of-contents-medicare-spending-trends
[16] See: https://www.medpac.gov/wp-content/uploads/2026/07/July2026_MedPAC_DataBook_SEC.pdf, page 17
[17] See: https://www.medpac.gov/wp-content/uploads/2026/07/July2026_MedPAC_DataBook_SEC.pdf, page 7

Under these adverse conditions, I strongly urge you to reject the proposed Medigap premium rate increases and approve the lowest-possible rates in order to protect the more than 400,000 financially vulnerable older adults who have Medigap policies through these carriers, including my constituents, and their access to necessary health care services. Looking ahead, it is critical that we work to develop mitigation strategies and cost-saving measures that can be implemented at the state level to help manage rapidly increasing Medigap premiums and health care costs. I would welcome the opportunity to discuss this with you and your staff further. Thank you for your attention to this important matter. Should you have any questions, please contact Dawn Gresham in my office at (212) 490-9535.

Sincerely,

Liz Krueger
State Senator