

# BUSINESS

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THE HARTFORD COURANT SECTION E

▼ Dow Jones -12.37, 12,390.48	▲ Nasdaq composite +22.66, 2,503.14	▼ S&P 500 -0.45, 1,377.20	▲ Courant-Bloomberg CT +0.95, 382.52	▲ Russell 2000 +4.71, 743.71	▲ 10-Year T-Note Yield +0.09%, 3.98%	▲ Gold, cash price +\$4.25, \$883.50	▼ Oil -\$2.01, \$122.30
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## Proposed Rate Hikes May Face Hearings

By DIANE LEVICK  
COURANT STAFF WRITER

### Public Would Get Say On Long-Term Insurance Changes

Two Connecticut officials want the state to mandate public hearings on proposed rate increases for long-term care insurance after senior citizens complained about one company's 9 percent jump.

Ironically, Genworth Life Insurance Co.'s 9 percent increase is the smallest sought for such a policy here recently, dwarfed by proposals from other insurers of 29 percent to 49 percent or higher.

A series of large rate increases on older long-term care policies — proposed around the country in recent years — has stirred outrage and raised concern about whether the policies were underpriced initially and that the increases are justified.

In Connecticut, state Sen. Edith Prague, D-Columbia, and state Healthcare Advocate Kevin Lembo say they'll pursue legislation next year to require hearings on insurers' rate filings

for the policies, which cover nursing home and at-home care.

The aim is to have the Connecticut Insurance Department hold forums on each proposed long-term care rate increase so consumers can comment and ask questions before regulators rule.

Long-term care policies, after all, aren't cheap to begin with. Even typical policies bought in the late 1980s by a 65-year-old could cost roughly

\$1,500 a year and top \$4,000 if bought at age 75. Former Connecticut residents Martin and Betty Rogan are each paying \$1,460 a year for their long-term policies bought from a Genworth predecessor in 1992, when they were 62 and 61, respectively.

Now the couple, who are in their late 70s and live in Florida and spend summers in Rhode Island, face a choice from Genworth: the 9 percent rate increase approved by regulators April 1 or a comparable cut in the benefits their

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"It's not rocket science to see we have a calamity coming down the road."

PAUL BINGHAM  
TRANSPORTATION ANALYST AT RESEARCH FIRM GLOBAL INSIGHT



M. SPENCER GREEN / AP

**FREIGHT CARS** await completion at the Belt Railway Co. of Chicago in April. A new U.S. Chamber of Commerce report predicts that demand for freight trains is expected to double over the next 25 years.

## 'RAIL MELTDOWN'

The Nation's Increasingly Clogged Rail System Threatens The Supply Chain And The U.S. Economy

By MICHAEL TARM  
ASSOCIATED PRESS

**C**HICAGO — Railway executive Matthew Rose stood before fellow industry leaders, pointing to a map meant to tell the future of the U.S. rail freight network. It was drenched in red — east to west, north to south.

The blotches illustrated areas where, by 2035, traffic jams could be so severe that trains would grind to a halt for days with nowhere to go.

"For those of you who've never seen a good rail meltdown, this is what it looks like," Rose, CEO of Burlington Northern Santa Fe Corp., said as the crowded hall shifted uncomfortably in their chairs. "It's literally chaos in the supply chain."

While the nation's attention is focused on air travel congestion and the high cost of fuel for highway driving, a crisis is developing under the radar for another form of transportation — the freight trains used to deliver many of the goods that keep the U.S. economy humming.

The nation's 140,000-mile network of rails, devoted to carrying everything from cars to grain by freight, is already groaning under the strain of congestion, with trains forced to stand aside for hours because of one-track rail lines.



**RAIL TRAFFIC CONTROLLERS** direct freight traffic through the Belt Railway Co. of Chicago, one of the busiest rail yards in the country. Congestion on the U.S. rail freight system is a major problem and only expected to worsen over the next two decades.

PLEASE SEE RAILS, PAGE E4

## Housing Elusive For Low Earners

It's Getting Tougher To Rent In State

By ZACHARY ABRAHAMSON  
COURANT STAFF WRITER

Despite some gains in pay, low- and moderate-income families in Connecticut had a harder time finding homes they could afford in 2006 than they did two years earlier, a study released Wednesday showed.

And it's doubtful that the picture is growing brighter now that housing prices are falling, several experts involved in the study said.

The number of households who spend 30 percent or more of their income for housing — a measure of distress in the market — and who earned 80 percent or less of the state median income, has jumped by more than a third since 2004, the Hartford-based nonprofit Partnership for Strong Communities said Wednesday.

In all, 344,000 households in 2006, the latest year for which figures are available, were in that group, compared with 257,000 two years earlier. The median was about \$63,000 in 2006, said Don Klepper-Smith of Data-Core Partners in New Haven, who conducted the study.

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### INSIDE

#### Air Capacity Cut

United Airlines is slashing its domestic capacity, the latest blow to travelers facing dwindling choices for when and where they can fly. **Page E3**

#### Drug Settlement

Connecticut will receive \$126,488 from Walgreens in a settlement over allegations it overcharged the Medicaid program. **Page E3**

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