



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
July - September 2013

P The Connecticut
PARTNERSHIP
FOR LONG-TERM CARE™

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I. PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending March 31, 2013, total Partnership sales passed the **56,800** level with **56,845** policies sold to date. In addition, **324** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **70,000**.

95% of purchasers are under the age of seventy and 58% are under the age of 60. The average age at time of purchase is 58 and the average maximum benefit purchased is \$253,867. More than **\$147 million** in Medicaid Asset Protection had been earned as of 3/31/13 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$16 million** in Medicaid long-term care funds since its inception in 1992, with larger savings projected in the future.



II. RATE INCREASE ACTIVITY

Below is some information on recent rate increase requests submitted to the Connecticut Insurance Department that affect Partnership policies.

Bankers Life & Casualty:

In May 2013, Bankers Life & Casualty requested a 35% rate increases on some older Partnership and non-Partnership policies. This request is under review by the Connecticut Insurance Department.

Prudential:

In May 2013, Prudential requested a 40% rate increase for some older Partnership and non-Partnership policies. This request is under review by the Connecticut Insurance Department.

III. JUST THE FACTS



Q: What type of inflation protection is required for LTC insurance products approved by the CT Partnership?

A: The CT Partnership requires that the daily, weekly or monthly benefits must increase by either 5% compounded annually or by changes in the average private pay rate. Lifetime benefits for persons under age 65 must also increase by 5% compounded annually. Persons age 65 and older may be offered the option to inflate only the daily, weekly and monthly benefits (and not the lifetime benefit). The decision to offer this option for persons age 65 and older rests with the company. Therefore, the option may not be available from all insurance companies participating in the Partnership. Please consult the Partnership's *Policy Comparisons Report* to learn which companies offer this option.

Q: Once eligible for Medicaid, are there any restrictions on what Partnership policyholders can do with their protected assets?

A: **NO**. As far as CT's Medicaid program is concerned, assets protected through the Partnership do not exist. Therefore, the protected assets can be saved, spent, transferred, donated, etc. In addition, protected assets will NOT be recovered by Medicaid from the policyholder's estate.

The only limitation placed on the policyholder is that the amount of assets protected under the Partnership is fixed based on the amount of benefits paid by the Partnership long-term care insurance policy. This means assets in excess of the amount protected under the Partnership or by other Medicaid allowances will need to be spent down.

Remember, the purpose of the Partnership's Medicaid Asset Protection feature is to give individuals control over their resources and the freedom to choose how to utilize their assets. This feature is provided by the State of Connecticut and does not add any cost to the premium.

Q: If an individual has a Partnership policy can they purchase another Partnership policy with a daily benefit below the Partnership's minimum?

A: **NO**. Every Partnership policy, even if it is in addition to an existing Partnership policy, must include at least the minimum daily benefit required under the Partnership (*\$224/day for nursing home care and \$112/day for home and community-based care for Partnership policies applied for in 2013*).

IV. USE OF THE CT PARTNERSHIP LOGO

The Connecticut Partnership logo can only be used by the Partnership office or by a participating insurance company in conjunction with their company logo, after receiving prior approval from the Partnership.

Insurance agents and agencies are prohibited from using the Partnership logo. Use of the Partnership logo by an agent or agency will result in a formal written complaint filed by the Partnership office with the Insurance Department.



V. WANTED

Insurance professionals **who have sold more than 10** CT Partnership policies during the six-month period between January 1st and June 30th, 2013. Please e-mail the Partnership office at david.guttchen@ct.gov and give us your name and the number of policies you sold during the past 6 months. Producers who respond will be recognized in the Fall issue of **Quarterly UPDATE**. As a reminder, we must hear from you if you wish to be recognized in our next Update. **We do not receive agent-specific sales information from the insurers.**

VI. ANNUITY/LONG-TERM CARE COMBO POLICIES

During the Connecticut legislative session which recently ended on June 5th, the Connecticut General Assembly passed legislation (Public Act 13-280) which allows the sale of Annuity/Long-term care combination policies. Life/Long-term care combination policies have already been available for sale in Connecticut. The legislation becomes effective on October 1, 2013, which allows the Connecticut Insurance Department time to develop the requirements for the new Annuity/Long-term care policies. As soon as more information is available about these new products we will let you know.

VII. CT PARTNERSHIP TRAINING CERTIFICATES



The Partnership office has been conducting the required Partnership training sessions since 1994. If you attended a training in 1994 or after and you've misplaced your training certificate, the Partnership office will have a copy of your certificate that we can provide you. Just call us at 860-418-6318 or email at david.guttchen@ct.gov.

If you attended a training conducted prior to 1994, the Partnership office will not have a copy of your certificate on file. In order to receive a copy of your certificate, you will need to contact Connie Fas at the CT Insurance Department at **860-297-3918** or email at **Constantina.Fas@ct.gov**.

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