

Quarterly UPDATE

Connecticut Partnership for Long-Term Care

October - December 2004

POLICY SALES REACH MILESTONE

In the quarter ending June 30, 2004, total Partnership sales passed the **35,000** level with 35,598 policies purchased in total. In addition, 1,645 individuals applied to purchase a Partnership policy, bringing the total number of applications submitted to more than **43,000**.

For 92% of the purchasers, their Partnership policy was the first long-term care insurance policy they purchased. The average age at time of purchase is 58 and the median maximum benefit purchased is \$200,000. For additional information about Partnership sales, go to the Partnership's website at www.ctpartnership.org.

TOP PRODUCERS

Congratulations to the following producers who reported to the Partnership office they sold **more than 10 Partnership policies** during the six-month period January 1st through June 30th, 2004.

Greg Balogh	Curtis Bentley
Mark Bentley	Marcia Bernstein
Robert Beucler	Sean Deveau
Rachel Faiga	Stewart Friedman
Terrence Frimmet	Tom Hardecker
Rosanne Hauser	Barbara Hayslip
Paul Isenberg	Lisa Krawczyk
Jeanne Murray	Courtney Tillson
Maureen Torrence	Peter Wisniewski

As a reminder, in order for us to list you as a Top Producer we need to hear from you. The next request for names of Top Producers will be made in January 2005 for the six-month period between July – December 2004.

MEDICAID AND SOCIAL SECURITY

Several agents have worked with clients who are teachers and have not contributed to the Social Security system and had questions about whether someone could be eligible for Medicaid without having paid into Social Security.

As long as an individual is a United States citizen, then Medicaid eligibility has nothing to do with whether the individual has contributed to the Social Security system. The only instance where payments to Social Security are taken into account is when the Medicaid applicant is not a United States citizen and then Medicaid requires proof that the individual has worked and paid into Social Security for a certain period of time.

Therefore, teachers, and other United States citizens who do not participate in Social Security, can still benefit from the Medicaid Asset Protection component of a Connecticut Partnership policy.

CONNECTICUT PARTNERSHIP RELATED ADVERTISING

Below you will find an excerpt from a letter that was recently sent from the Partnership to the participating insurance companies. This letter was sent in response to our discovery of several lead generation programs that are misleading and deceptive in their use of the Partnership name and program description. None of these programs' materials were approved through the Partnership program.

It's important to remember that any advertising material you use that is Partnership related must be approved through the Partnership office. This includes lead generation programs developed by other entities. It is the responsibility of the agent and/or insurer to make sure that the program or advertising material has received proper approval through the Partnership.

If you have any questions on this matter, please call David Guttchen at 860-418-6318 or david.guttchen@po.state.ct.us. Thank you for your cooperation and help with this matter.

"We have recently been made aware of several lead generation letters that have used the Connecticut Partnership for Long-Term Care as its primary focus and incentive to entice consumers to request additional information. In one of these letters, an incorrect version of the Partnership name was utilized which caused a misunderstanding in the marketplace that could be construed as misleading or deceptive advertising.

In and of itself, the use of the Connecticut Partnership as an incentive is perfectly acceptable and we encourage the promotion of the Partnership. However, in the case of these lead generations efforts, there was no attempt to inform the reader that the solicitation was not affiliated with, or being sent by, the Partnership itself. Nor did the letters make it clear to the reader that, by requesting additional information, their name would be forwarded to an insurance agent who would then solicit them for a possible purchase of a long-term care insurance policy.

As a reminder, any advertising, including lead generation programs developed by entities not affiliated with your company, which involves the use of the Connecticut Partnership for Long-Term Care name or description of the Partnership, must be reviewed and approved by our office. This approval process is necessary to avoid the problems outlined above. This requirement is not only for insurance companies that participate in the Connecticut Partnership but extends to any agent who is appointed with that company. For example, before an agent were to secure the services of a lead generation company, they would need to ascertain whether the Partnership-related materials being used by the lead generation company had been properly approved. I would appreciate it if you would alert your agents to this requirement as soon as possible."

MEDICAID ASSET PROTECTION EXPANDS THE LONG-TERM CARE INSURANCE MARKET

One of the biggest advantages of the Partnership's Medicaid Asset Protection feature is that it can expand your market for suitable long-term care insurance candidates. Medicaid Asset Protection allows consumers to purchase an amount of insurance based on the amount of assets they wish to protect. For those with more moderate amounts of assets, the Partnership can make the purchase of long-term care insurance more affordable since they can tailor their purchase to their level of wealth.

With a non-Partnership policy, consumers take some level of risk if they purchase anything less than lifetime or unlimited benefits since they will still be exposed to spending down their assets if they outlive their insurance benefits. Medicaid Asset Protection makes the purchase of shorter term coverage (i.e. 1, 2 or 3 years of coverage) a more suitable and feasible purchase based on someone's assets and the amount of income they can spend on the policy.

The Partnership allows you to expand your potential market and helps make the purchase of long-term care insurance more of a reality for the middle class.

MINIMUM DAILY BENEFIT LEVELS FOR 2005

For Partnership policies issued with effective dates in **2005**, the minimum daily benefit levels will be **\$151.00** for nursing home care and **\$75.50** for home care.

Please note that for applications taken in 2004, but issued with 2005 effective dates, the 2005 minimum benefit levels apply. Therefore, during the fourth quarter of 2004, especially towards the end of the year, please be aware of how long it will take for the insurer to process and issue the policy and make sure the appropriate level of benefits are selected.

If you have any questions on the Partnership's minimum daily benefit levels, please email David Guttchen at david.guttchen@po.state.ct.us or call 860-418-6318.

PUBLIC FORUMS

Don't miss out on the following opportunities to educate your clients and prospects about long-term care insurance. These events provide basic information about long-term care and what features to look for in long-term care insurance. A description of the Partnership's enhanced standards, including Medicaid Asset Protection, is also provided.

- **October 20th -- NORWICH**
Three Rivers Community College
- **November 9th -- GLASTONBURY**
Smith Middle School

Forums run from 7:00 to 9:00 p.m. *Please remember, no sales materials or solicitations are allowed at these events.*

To register yourself and/or your clients, call the Partnership's Consumer Information Service at **(800) 547-3443**

CT PARTNERSHIP CERTIFICATION TRAINING

Approved by the State of Connecticut Insurance Dept.
for 8 continuing education credits.

Sponsor #S11843 Course #C19619

Advance registration is required.

For more information and a list of available classes visit the Partnership's
website. To register call (860) 418-6318.

Quarterly UPDATE is published for certified producers and other professionals
by the State of Connecticut, Office of Policy & Management.
Direct inquiries to: Connecticut Partnership for Long-Term Care, 450 Capitol Ave.- MS# 52LTC,
Hartford, CT 06106-1308, (860) 418-6318.