



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
October - December 2016



IN THIS ISSUE:

- I. COVERAGE REDUCTION OPTIONS***
- II. MEDICAID ASSET PROTECTION EXPANDS THE LONG-TERM CARE INSURANCE MARKET***
- III. PUBLIC FORUMS***
- IV. PARTNERSHIP MINIMUM DAILY BENEFIT LEVELS FOR 2017***
- V. FREE SERVICES FROM THE STATE***
- VI. RATE INCREASE ACTIVITY***
- VII. CT PARTNERSHIP TRAINING CERTIFICATES***

I. COVERAGE REDUCTION OPTIONS

Due to regulations that went into effect in April of 2015, CT Partnership policyholders who experience a cumulative lifetime increase in premiums of 50% or greater have more options to reduce their coverage and not have their policy lose its Partnership status.

Affected policyholders are able to reduce their daily benefit amount to any level, even if it's below the Partnership minimums for that year, and still retain their Partnership policy.

In addition, affected policyholders can reduce their inflation protection level below the Partnership minimum of 3.5% compound as long as some amount of automatic inflation protection remains in the policy (guaranteed and future purchase options are not allowed). The level of inflation protection that affected policyholders will be able to reduce to will depend on the inflation protection options available from their insurer for the insurer's non-Partnership policies available when the Partnership policy was originally purchased. To find out what inflation protection options are available for a particular insurer and policy form email david.guttchen@ct.gov or contact the insurer directly.

Partnership policyholders who have not experienced a 50% or greater cumulative lifetime increase in premiums also have coverage reduction options but their benefits must be at or above the Partnership minimums for that year in order for their policy to retain its Partnership status.

All Partnership policies include a “Shorter Coverage Reduction” provision which allows the policyholder to reduce their lifetime benefit, regardless of whether they have had their rates increased. Insurers must always have an option in their Partnership policies for the insured to lower their lifetime benefit amount even if that benefit amount is below the minimum lifetime benefit level the insured makes available for new policy sales. For instance, if an insurer’s minimum Partnership policy is a two year plan then the insurer must have rates on file for a one year policy so the insured can reduce their coverage if they so choose. The only exception is if the Partnership policy has a one year benefit period and then the insurer has the option of not including a Shorter Reduction Coverage option. Insureds can also reduce their daily benefit amounts as long as they are at or above the Partnership minimums.

II. 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, helping make the purchase of long-term care insurance more of a reality for the middle class. 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.

III. PUBLIC FORUMS



Don't miss out on the following opportunities to educate your clients and prospects about long-term care insurance. These Forums will 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.

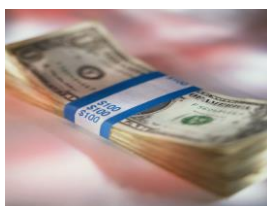
- **October 20th -- EASTON**
Easton Public Library
- **November 1st – NEW HAVEN**
Wilson Branch Public Library

The Forums will run from 6:00 to 8:00 p.m. Registration begins at 5:30 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** or register online at: http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383414&opmNav_GID=1814.

If you have clients who are interested in attending a presentation on the Partnership, but are unable to attend one of the Public Forums noted above, please have them contact the Partnership at (860) 418-6318 to see if there are any other presentations in locations convenient to them. Also, if you would like to sponsor a presentation, please contact Aldo Pantano at 860-418-6365.

IV. MINIMUM DAILY BENEFIT LEVELS FOR 2017



For Partnership policies applied for in **2017**, the minimum daily benefit levels will be **\$265.00** for nursing home care and **\$132.50** for home care.

With the revision to the Partnership regulation that went into effect on April 13, 2015, the minimum daily benefits for Partnership policies will increase each year by 3.5%, as opposed to the previous increase level of 5%. The 2017 minimum levels represent a 3.5% increase from 2016.

In addition, **please be aware that the annual allowable minimums also pertain to existing policyholders who wish to reduce their daily benefits.** In cases such as this, the daily benefit cannot be reduced below the Partnership allowable minimum benefit level for that year unless the policyholder has had a cumulative lifetime increase in their premiums of 50% or greater.

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

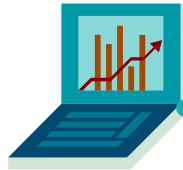
V. FREE SERVICES FROM THE STATE

Through the Partnership, the State of CT provides many free services to producers and consumers, including.

- A toll-free number (800-547-3443) that producers and consumers can call to get questions answered and request materials.
- A comprehensive website (www.ctpartnership.org) with information for consumers, producers, insurers and researchers.
- Free publications that can be downloaded directly from the Partnership website.

We encourage you to make your clients aware of these services.

VI. RATE INCREASE ACTIVITY



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

Travelers (MetLife Insurance Company USA):

In April 2016, MetLife requested rate increases ranging from 13.6% - 100% for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

There are no other rate increase requests currently pending with the Connecticut Insurance Department.

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 Tanya Penman-Sterling at the CT Insurance Department at **860-297-3882** or email at **Tanya.Penman.Sterling@ct.gov**.

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 06106-1379, (860) 418-6318.