



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
October - December 2020



IN THIS ISSUE:

- I. COVERAGE REDUCTION OPTIONS***
- II. MEDICAID ASSET PROTECTION EXPANDS THE LONG-TERM CARE INSURANCE MARKET***
- III. PARTNERSHIP VIDEO PRESENTATIONS AVAILABLE***
- IV. PARTNERSHIP MINIMUM DAILY BENEFIT LEVELS FOR 2021***
- V. PARTNERSHIP RESOURCES TO REMEMBER***
- VI. RATE INCREASE ACTIVITY***
- VII. CT PARTNERSHIP TRAINING CERTIFICATES***

I. COVERAGE REDUCTION OPTIONS

A. Options for Policyholders Experiencing a 50% or Greater Lifetime Premium Increase.

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 3.0% compounded as long as some level 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 please send an email to david.guttchen@ct.gov or contact the insurer directly.

As well, Partnership policyholders have always had the option to reduce their lifetime maximum benefit to any level.

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.

B. “Shorter Coverage Reduction Option”

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 unless they have experienced a 50% or greater cumulative lifetime increase in premiums as described in Section I(A) of this update, or their policy is being administered by the Connecticut Life and Health Guaranty Association.

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. PARTNERSHIP VIDEO PRESENTATIONS



Due to the public health emergency created by COVID-19, the Partnership is unable to hold in-person Public Forums this Spring.

To assist with providing the public with information on long-term care, what it is, future need and potential costs, and the options available for financing potential long-term care needs, including Partnership long-term care insurance, Partnership staff have produced two videos featuring trainer Aldo Pantano. The first video is a general presentation on long-term care, long-term care insurance and the Partnership. The second video answers frequently asked questions about long-term care and the Partnership.

Both videos can be accessed on the Partnership's home page at www.ctpartnership.org. We encourage you to share these resources with your clients and colleagues.

Please note that if you have a group of 10 or more clients, Aldo is available to do presentations through your Zoom, or other virtual, account, or, if you have a group of 10 or more agents, he can provide your agency an overview to update your office about the Partnership. If you're interested, please email Aldo at aldo.pantano@ct.gov.

IV. MINIMUM DAILY BENEFIT LEVELS FOR 2021



For Partnership policies applied for in **2021**, the minimum daily benefit levels will be **\$299.00** for nursing home care and **\$149.50** for home care.

The 2021 minimum levels represent a 3.0% increase from 2020.

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 or their policy is being administered by the Life and Health Guaranty Association.

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.

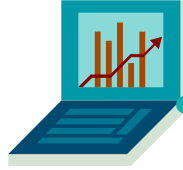
V. PARTNERSHIP RESOURCES TO REMEMBER

Partnership Toll-free Consumer Information Line: The Partnership maintains a toll-free consumer information line. The information provided by State staff is unbiased and provides consumers with quick and clear answers to their general questions about long-term care and the Partnership. It is a useful resource to share with your clients. Consumers and policyholders may call 1-800-547-3443 toll-free from anywhere within Connecticut for assistance. If calling from outside of Connecticut, please call 860-418-6318.

Online Resource Materials: The CT Partnership maintains a robust website – www.ctpartnership.org - with numerous materials for producers, policyholders, potential buyers and researchers. The website is updated frequently and includes most of the publications developed by the Partnership program, including the most popular publications *Before You Buy*, *Policy Comparisons Report*, *Frequently Asked Questions* and *Cost of Long-Term Care in Connecticut*.

Presentations: If you have a group of clients, employer clients or other organizations that are interested in learning about long-term care insurance, Partnership staff are available to provide presentations on the need for long-term care and the Partnership. Currently we are only scheduling virtual presentations. No sales or solicitations are allowed at these presentations. If you're interested in organizing an event contact Aldo Pantano at aldo.pantano@ct.gov.

VI. RATE INCREASE ACTIVITY



BRIGHTHOUSE:

In June 2020, Brighthouse requested an average 173.0% rate increase for some older Travelers Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

JOHN HANCOCK:

In May 2020, John Hancock requested an average 68.3% rate increase (range of 10.7% to 139.1%, depending on the policy form) for some older Partnership and non-Partnership policies. **In August 2020, this request was denied by the Insurance Department, but the Insurance Department did approve increases ranging from 10-50%, depending on the policy form.**

MEDAMERICA:

In April 2020, MedAmerica requested a 22.0% rate increase for some older Partnership policies. **In June 2020, this request was denied by the Insurance Department, but they did approve a 10% increase.**

The Insurance Department's website - <https://www.catalog.state.ct.us/cid/portalApps/LongTermCareFiling.aspx> - includes a listing of long-term care insurance rate increase requests. For rate increase filings where the Insurance Department has made a final decision there will be a selection for the "Disposition" which is the Insurance Department's write-up of their decision. In the Disposition you can find out what increase was approved for a particular policy form, since a filing will usually include several different policy forms. You can also sign up on the website for "e-alerts" so you will receive an e-mail whenever a new rate increase request is filed and also when the Insurance Department makes a decision about a rate increase filing.

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 verify you have completed the Partnership certification training, 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.

<p>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 or david.guttchen@ct.gov.</p>
