



Quarterly UPDATE

Connecticut Partnership for Long-Term Care

October - December 2024



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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 can reduce their daily benefit amounts 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, or other inflation protection options the insurer chooses to offer. To find out what inflation protection options are available for a particular insurer and policy form please send an email to OPM.CTPartnership@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. MINIMUM DAILY BENEFIT LEVELS FOR 2025



For Partnership policies applied for in **2025**, the minimum daily benefit levels will be **\$334.00** for nursing home care and **\$167.00** for home care.

The 2025 minimum levels represent a 3.0% increase from 2024.

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.

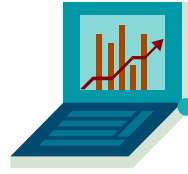
If you have any questions on the Partnership's minimum daily benefit levels, please email us at OPM.CTPartnership@ct.gov or call 860-418-6318.

IV. 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*.

V. RATE INCREASE ACTIVITY



Note: The below rate request activity reflects rate request status as of the date this report was published.

BRIGHTHOUSE:

In March 2024, Brighthouse Insurance Company requested an increase of 167 percent on their block of business of Individual Comprehensive and Facility-Only long-term policies which were sold in Connecticut from 1990 to 2001. The forms in this filing include Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

MEDAMERICA:

In March 2024, MedAmerica requested a rate increase ranging from 123% to 324.2%, for a block of Series 11 group long-term care plans that were sold in Connecticut from 2002 to 2007. The forms in this filing include Partnership and non-Partnership policies. **In October 2024, the Insurance Department denied this request but did approve an average increase of 73.9% for all policyholders.**

PRUDENTIAL:

In January 2024, Prudential requested a rate increase ranging from 13.2% to 34.4%, for their ILTC3 and ILTC3R long-term care policies that were sold in Connecticut from 2005 to 2012. The forms in this filing include Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

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.

VI. CT PARTNERSHIP TRAINING CERTIFICATES



If you attended the Partnership required certification training and have 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 OPM.CTPartnership@ct.gov.

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