



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
July - September 2014

P The Connecticut
PARTNERSHIP
FOR LONG-TERM CARE™

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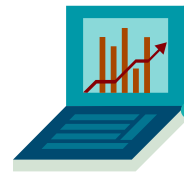
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I. PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending December 31, 2013, total Partnership sales passed the **58,000** level with **58,046** policies sold to date. In addition, **390** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **71,000**.

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 57 and the average maximum benefit purchased is \$255,030. More than **\$171 million** in Medicaid Asset Protection had been earned as of 12/31/13 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$19 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.

Travelers (MetLife Insurance Company of Connecticut):

In September 2013, MetLife Insurance Company of Connecticut submitted a rate increase request for some older Travelers Partnership and non-Partnership policies that ranged from a 50% to 100% increase. In March 2014, the Insurance Department approved a 20% rate increase for some of the Partnership and non-Partnership plans and didn't allow any increase for some of the plans.

John Hancock:

In February 2014, John Hancock requested a rate increase for some older Partnership and non-Partnership policies that averaged approximately 46%. In May 2014, the Insurance Department approved a 15% increase across the board for all the policies included in the rate increase request.

MedAmerica:

In April 2014, MedAmerica requested a 39% rate increase for some older Partnership and non-Partnership policies. In May 2014, the Insurance Department denied the request and did not grant any increase.

III. PARTNERSHIP EXPANSION

Currently, including Connecticut, there are 40 states operating Partnership for Long-Term Care programs. Of the 10 states without Partnership programs we have recently been informed that New Mexico and Utah are seriously considering the development of a Partnership program. Both states have had contact with the Connecticut Partnership office, as well as other Partnership states, with questions regarding the implementation a Partnership program.

The 8 other states that don't currently operate a Partnership program are Alaska, Delaware, Hawaii, Illinois, Massachusetts, Michigan, Mississippi, and Vermont. We have not recently heard from any of these states regarding their interest in developing a Partnership plan.

IV. PARTNERSHIP PRODUCER TRAININGS

Starting with the Connecticut Partnership's August 7th Producer Certification training, all of the trainings will now be held at the Four Points Sheraton Hotel in Meriden, CT, instead of Hartford. Trainings will still be held from 9:00 AM to 1:00 PM. The switch to Meriden is in response to numerous suggestions from producers to hold the Partnership trainings somewhere easily accessible from a highway and where parking is readily available.

For additional information on the Partnership's agent certification process, including the schedule of upcoming trainings, visit the Partnership website at:

<http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383398>



V. WANTED

Insurance professionals **who have sold more than 10** CT Partnership policies during the six-month period between January 1st and June 30th, 2014. 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 the **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. STATE LEGISLATION – RATE INCREASES

During the Connecticut legislative session which recently ended on May 7th, the Connecticut General Assembly passed two pieces of legislation that impact private long-term care insurance, both Partnership and non-Partnership policies.

The first bill (Public Act 14-8) requires insurers to provide certain disclosures in their policies regarding possible rate increases. Here's a link to the full Public Act: <http://www.cga.ct.gov/2014/ACT/PA/2014PA-00008-R00SB-00009-PA.htm>. The provisions of this bill go into effect in January 2015.

The second bill (Public Act 14-10) requires insurers who receive approval for a 20% or higher rate increase to spread such an increase over a three year period to help cushion the blow to the policyholder of a large increase all at once. Insurers, as they are required to do already, must also provide policyholders the ability to reduce their coverage amounts to help mitigate against the rate increase. Here's a link to the full Public Act: <http://www.cga.ct.gov/2014/ACT/PA/2014PA-00010-R00SB-00199-PA.htm>. The provisions of this bill go into effect in October 2014.

Both bills were signed into law by Governor Malloy on May 8th.

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**.

<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.</p>
