

A Consumer Guide to Long Term Care Insurance in New York

New York State Insurance Department
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What is Long Term Care?

Long term care can mean many different things but any chronic or disabling condition that requires nursing care or constant supervision can bring on the need for long term care services. Long term care means not only care in a nursing home, it can also mean nursing care in your own home and help with the activities of daily living, such as dressing, eating, bathing and taking medicine.

There are many different services that would fall under the definition of long term care. These services include institutional care, i.e., nursing facilities, or non-institutional care such as home health care, personal care, adult day care, long term home health care, respite care and hospice care.

Nursing homes in New York State are licensed under the Public Health Law as nursing facilities. There are other long term care services that provide people with an option other than nursing home care. These services are defined below:

Home health care consists of services received in your home, and can include skilled nursing care, speech, physical or occupational therapy or home health aide services.

Home care (personal care) consists of assistance with personal hygiene, dressing or feeding, nutritional or support functions and health-related tasks.

Adult day care is for persons living at home, and provides supervision for elderly persons during the day when family members are not at home. It is a method of delivering a variety and range of services including social and recreational, and in some cases, health services, in a group setting.

Assisted living facilities provide ongoing care and related services to support those needs resulting from a person's inability to perform activities of daily living or a cognitive impairment.

An **alternate level of care** in a hospital is care received as a hospital inpatient when there is no medical necessity for being in the hospital and is for those persons waiting to be placed in a nursing home or while arrangements are being made for home care.

Respite care includes services that can provide family members a rest or vacation from their caregiving responsibilities. It can be provided in a variety of settings including an individual's home or a nursing home.

Hospice care is a program of care and treatment, either in a hospice care facility or in the home, for persons who are terminally ill and have a life expectancy of six months or less.

Do I need insurance coverage for long term care services?

Long term care is very expensive, and most people cannot afford to privately pay for long term care services for very long. In New York State, nursing home care in 2006 averaged approximately \$257 per day upstate and \$333 per day downstate or between \$93,000 and \$112,000 per year. It is estimated that persons in nursing homes stay for 2½ years on average.

Home health care is also expensive. The average cost of home health care in New York State in 2006 was \$22 per hour upstate and \$16 per hour downstate. Assuming 20 hours of care per week, this represents average home health care costs throughout the State reach \$16,000 to \$22,000 per year.

The chance of needing some type of long term care services is fairly high. It is estimated that over 40% of all persons who were 65 years old in 1990 will enter a nursing home during their lifetimes.

Isn't long term care covered by Medicare or other health insurance?

Medicare: Medicare does NOT pay for most long term care services. Individuals should not rely on Medicare to meet their long term care service needs. Medicare does not pay for custodial care when that is the only kind of care needed. Even skilled nursing facility care is covered by Medicare only on a very limited basis.

In order to obtain Medicare coverage of a skilled nursing facility stay, the following five conditions must be met:

- Your condition must require daily skilled care which, as a practical matter, can only be provided in a skilled nursing facility on an inpatient basis.
- You must have been in a hospital at least three days in a row (not counting the day of discharge) before you are admitted to a certified skilled nursing facility.
- You must be admitted to the facility within a short time (generally within 30 days) after you leave the hospital.
- You must have received treatment in a hospital for the condition for which you are receiving skilled nursing care.
- You must receive certification from a medical professional that you need skilled nursing care or skilled rehabilitation services on a daily basis.

If the skilled nursing facility stay continuously meets all of the above conditions, Medicare will provide benefits for up to 100 days of skilled care in a skilled nursing facility during a benefit period. In 2007, for the first twenty days of care, all covered services are fully paid by Medicare. For the next 80 days of care, Medicare requires a copayment (the amount you must pay) of up to \$124 per day.

If you need skilled health care in your home for the treatment of an illness or injury, Medicare can pay for home health services furnished by a home health agency. You do not need a prior

hospital stay to qualify for home health care. Medicare pays for home health visits only if all four of the following conditions are met:

- The care you need includes intermittent skilled nursing care, physical therapy, or speech language pathology.
- You are confined to your home.
- You are under the care of a physician who determines you need home health care and sets up a plan for you to receive care at home.
- The home health agency providing services participates in Medicare.

Once all four of these conditions are met, Medicare will pay for covered services as long as they are medically reasonable and necessary. Coverage is provided for the services of skilled nurses, home health aides, medical social workers and different kinds of therapists. The services may be provided either on a part-time or intermittent basis, not full-time.

Medicare pays the full cost of medically necessary home health visits by a Medicare-approved home health agency. You do not have to pay a deductible or coinsurance for services; however, if you need durable medical equipment, you are responsible for a 20% coinsurance payment for the equipment.

Medicare will NOT pay for full-time nursing care at home, drugs, meals delivered to your home, and homemaker services that are primarily to assist you in meeting personal care or housekeeping needs.

More information on Medicare and changes to the deductibles and copayments under Medicare is available on the web site of the Centers for Medicare and Medicaid Services at <http://cms.hhs.gov>.

Medicare supplement insurance: Is designed to fill in some of the major gaps in Medicare coverage, but IT DOES NOT COVER MOST LONG TERM CARE SERVICES.

Other private health insurance that you might already have covers mainly acute conditions and probably does NOT cover custodial care.

Medicaid: A governmental program for low-income individuals and families, is currently the major source of funding for long term care services. In order to qualify for Medicaid coverage, persons must meet certain income and asset tests. Because of the high cost of nursing home care, more than half of those who enter nursing homes privately paying for their care reach this level in less than a year. In New York State in 2007, if only one spouse needs nursing home care, the married couple is allowed to keep a home, a car and assets up to \$101,640. A single person who requires such care may only keep assets of \$4,200. The Partnership for Long Term Care's web site provides more information on Medicaid Eligibility at <http://www.nyspltc.org>.

In 1993, New York State initiated the Partnership for Long Term Care. Under the Program, if you purchase a Partnership-approved long term care policy and meet certain other requirements, you will be able to obtain Medicaid coverage, after the benefits under the long term care policy are exhausted. Qualification will be based on your income and you will be permitted to retain some or all of your assets (depending on the policy purchased) (See the

NYS Partnership for Long Term Care section on page 7 and the Partnership's official site at <http://www.nyspltc.org>)

How else can I pay for long term care services?

There are other options that you should be aware of that may help you pay for long term care services:

Savings and Investments: A savings or investment plan may help pay for long term care services. A retirement plan such as an IRA or 401K plan may also be available to you.

Life Insurance: A life insurance policy may offer the opportunity for a loan or withdrawal of the cash value. In addition, a person who is terminally ill may arrange for an accelerated cash lump sum death benefit from his life insurance company or for a cash lump sum (called a viatical settlement) from an outside firm. (Note: not all life insurance companies offer an accelerated death benefit option). These cash lump sum benefits are paid in lieu of the policy's death benefit.

Equity in Your Home: If you have built up equity in your home, you could use the profit from the sale of your home to fund long term care costs and move to less expensive accommodations. Another option is a "reverse mortgage," which is a loan based on the amount of equity you have built up in your home.

Other Housing: You may be able to buy into a Continuing Care Retirement Community (see Appendices) where the cost includes future access to long term care services. You may also find shared housing with supportive services.

Insurance Covering Long Term Care Services

It is important to realize that insurance policies covering long term care services are a relatively new form of insurance. The New York State Insurance Department has encouraged insurance companies to offer policies covering long term care services and has established minimum standards for four classifications of insurance policies covering such services. The services covered under these policies can be significantly different among policies.

Therefore, it is very important to read the policies carefully and compare the benefits to determine which policy will best meet your own personal needs.

Insurance policies covering long term care services in New York are sold on both an individual and a group basis. Some employers and association groups offer such policies to their employees or members. If you are unable to obtain such a policy through a group, the policies are also sold on an individual basis.

For a list of insurance companies selling individual and group insurance policies covering long term care services, along with their addresses, phone numbers and Web sites, see the chart of companies and types of policies offered on pages 11-14.

All insurance policies covering long term care services currently being sold in New York State are indemnity policies. Indemnity policies are those that pay a specific dollar amount for each day you spend in a nursing facility or for each home health or home care visit. Some of these

policies pay the daily benefit amount regardless of the charges; others will pay covered charges, or a percentage of covered charges up to the daily benefit amount.

Over time, as nursing home and home care charges increase, the daily dollar amounts which are payable under these policies do not increase, however, insurers selling these policies are required at the time of sale to also offer an "inflation protection" benefit. All Partnership approved policies must include an inflation protection benefit of at least 5% compounded annually unless the policy is purchased at age 80 or above. This benefit increases the daily benefit amount over time to help keep pace with inflation and increased expenses. Without the "inflation protection" benefit, you will be paying a larger amount of money out-of-pocket should you need to avail yourself of nursing home care or home care.

Some insurers also offer an option to increase the daily benefit amounts and maximum policy benefit at a future time. Under this option, you have the ability to increase the amounts every specified number of years. Unlike an inflation protection benefit purchased at the same time as the policy, if you opt to increase the daily benefit amounts and maximum policy benefit under this option, your premiums will increase based on your attained age at the time you opt to increase the benefits.

Classifications in New York

New York State has established minimum standards for insurance policies covering long term care services.

The Department has established four different classifications for these policies:

- Long Term Care Insurance
- Nursing Home and Home Care Insurance
- Nursing Home Insurance Only
- Home Care Insurance Only

Long Term Care Insurance policies provide the broadest coverage of long term care services. The Department requires that these policies cover for at least 24 consecutive months, the following benefits:

- Coverage of all levels of care in a nursing home of at least: \$100 per day for policies sold in the New York City Metropolitan area (the counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk, Rockland and Westchester); and \$70 per day for all other parts of New York State.

AND

- Coverage of home care of at least 50% of the daily indemnity amount provided for care in a nursing home.

Nursing Home and Home Care Insurance combines the benefits of Nursing Home Insurance Only and Home Care Insurance Only. This policy is for those persons who want some coverage for nursing home and home care services but who cannot afford Long Term Care Insurance.

The Insurance Department requires that these policies cover, for at least a period of 12 consecutive months, the following benefits:

- Coverage of custodial care services of at least \$50 a day while confined in a nursing home.

AND

- Coverage of custodial care services of at least \$25 per day in a private home.

Nursing Home Insurance Only is for those persons who either:

- Have no desire or intention to receive long term care services in their home;

or

- Have the financial resources to self-pay for home care services, but desire financial protection against the greater cost of nursing home care.

Nursing Home Insurance Only must provide at least twelve consecutive months of coverage of custodial care services of at least \$50 a day while confined in a nursing home.

IF THERE IS ANY CHANCE THAT YOU MAY REQUIRE INSURANCE COVERAGE FOR HOME HEALTH CARE SERVICES IN THE FUTURE, A NURSING HOME INSURANCE ONLY POLICY MAY NOT BE THE BEST TYPE OF LONG TERM CARE COVERAGE FOR YOU.

Home Care Insurance Only is a very limited policy. This type of policy should only be considered by those persons who either:

- Have no desire or intention of entering a nursing home, and would be able to obtain long term care services in their home.
- Have already purchased a nursing home policy and wish to add a home care benefit.

Home Care Insurance Only must provide at least twelve consecutive months of coverage of custodial care services of at least \$25 per day in a private home.

IF THERE IS ANY CHANCE THAT YOU MAY REQUIRE NURSING HOME SERVICES IN THE FUTURE, A HOME CARE INSURANCE ONLY POLICY IS MOST LIKELY NOT THE BEST TYPE OF LONG TERM CARE COVERAGE FOR YOU.

New York State Partnership for Long Term Care Program

In 1993, the New York State Partnership for Long Term Care was initiated in New York State in order to encourage more people to purchase long term care insurance policies. The Partnership Program allows those persons who purchase Partnership-approved long term care policies to qualify for Medicaid while still retaining some or all of their assets (depending on the policy purchased) once the benefits under the long term care policy are exhausted. Regardless of the asset protection offered by the Partnership policy, Medicaid rules will still apply to income so contributions toward the cost of care may be required.

All Partnership approved policies will prominently display the Project logo shown below.



In order to purchase a Partnership-approved long term care policy, an applicant must meet all underwriting rules of the insurance company. When benefits under the policy are nearly exhausted, an application for Medicaid must be filed by you or your representative.

If you are considering the purchase of a Partnership long term care policy, but intend to move outside of New York, you should be aware that while the benefits under the long term care policy will still be payable, the asset protection under the Medicaid Program only applies if you are a New York State resident.

For more information on the Long Term Care Partnership Program, you should obtain a copy of the "Consumer Booklet – Affordable Financing for Long Term Care," which was prepared by the New York State Partnership for Long Term Care and is available from the Office of Medicaid Management, New York State Department of Health or the New York State Insurance Department at 1-888-NYS-PLTC (1-888-697-7582). You may also wish to visit the Partnership's official website at <http://www.nyspltc.org>.

Tax Savings

Federal Tax Deduction: In 1996 the Federal government amended the Internal Revenue Code to allow favorable tax treatment of long term care policies which qualify under the law. Generally, benefits you receive from tax-qualified policies will not be considered as taxable income under either federal or state law.

The premiums charged for tax-qualified policies are treated as medical expenses for purposes of itemized deductions up to certain dollar limits that are indexed annually. For a list of insurers selling tax-qualified policies, see the list of the insurance companies in the Appendices.

New York State Tax Credit: In 1997 New York State passed legislation that allows favorable state tax treatment of premiums paid for policies which qualify under the federal law and meet New York minimum standards. Long term care premium tax credit legislation was passed in 2000 and took effect in taxable years beginning in 2002.

Additional legislation was passed increasing the tax credit for long term care insurance premiums from 10% to 20% for taxable years beginning in 2004. Any qualified policy covering long term care services that was approved in New York and issued before January 1, 1997, also qualifies for favorable tax treatment with certain limited exceptions.

A qualified long-term care insurance policy is one that is:

- approved by the New York State Superintendent of Insurance under section 1117 (g) of the Insurance Law; **and**
- a qualified long-term care insurance contract under section 7702B of the Internal Revenue Code (IRC). (Note that section 7702B relates to policies for which a federal itemized deduction is allowed.)

or

- is a group contract delivered or issued for delivery outside New York State; **and**
- the group contract is qualified long-term care insurance contract under section 7702B of the IRC. The premiums paid for this insurance qualify for the credit even if the policy is not approved by the New York State Superintendent of Insurance.

You should consult with an attorney, accountant or tax advisor regarding the tax implications of purchasing a tax-qualified policy.

Remember, not all long term care policies qualify for favorable tax treatment. See the list on page 11 of the insurance companies currently marketing insurance policies covering long term care services. Insurers who market tax-qualified policies may also market non-tax-qualified policies. This information can be obtained by contacting the insurance carrier.

Claiming the New York State Credit: To claim the New York State Credit you must complete Form IT-249, Claim for Long-Term Care Insurance Credit, and attach it to your New York State Return.

Factors to Consider Before Purchasing Insurance

- Are you eligible for Medicaid? If so, Medicaid will pay your long term care expenses.
- How much can you afford to pay out-of-pocket for long term care expenses?
- How much can you afford to pay for an insurance policy covering long term care services?
- If you are planning to retire, will your reduced income be adequate to meet the annual costs of the premium?

- All long term care policies are medically underwritten, (i.e., your physical/mental condition and health history will be evaluated) so, if you intend to purchase a policy, don't wait until you have a medical condition that could make long term care coverage more expensive or unavailable to you.
- In most cases, the premium for a policy will be lower when purchased at a younger age. Also, insurance policies covering long term care services are only offered at certain ages.
- What types of long term care services would best meet your own personal needs and preferences? What are the costs of these services in the locality where you would be receiving them?

Appendix 1 is a checklist of items to consider when purchasing long term care insurance.

Comparing Policies

All individual policies covering long term care services in New York State must be guaranteed renewable. This means that you have the right to continue the policy as long as the premiums are paid on a timely basis. An insurer cannot terminate the policy if your health declines. The insurer also cannot make any change in any provision of the policy while the insurance is in force without your agreement. An insurer cannot change the premium charged for the policy unless it receives the approval of the Insurance Department, and unless it applies to all members of a class covered by the policy.

All policies covering long term care services place certain limits on benefits and may exclude certain benefits completely. In choosing a policy that will best meet your own personal needs, it is important to understand the limitations and benefit exclusions which are contained in these policies. The most common exclusions and limits that are used in insurance policies covering long term care services are described below:

Maximum Policy Benefit: The maximum policy benefit is the period of time or dollar amount limit for which long term care benefits will be paid under the policy. Insurance policies covering long term care services contain maximums of from one to ten years, lifetime benefits, or a dollar amount limit. Most of the maximum policy benefits with dollar amount limits are calculated by multiplying the number of years of benefits chosen, times 365 days, times the daily benefit amount chosen. Once the benefit limit or time limit is reached under these policies, no other benefits will be paid for your continuous need for long term care services. It is important to note that in some long term care policies the maximum policy benefit is not the same for all benefits listed in the policy. For example, some nursing home and home care policies have separate maximum benefits for nursing home and home care. Certain policies also contain a separate benefit limit for each particular period of care (generally successive days of care in a nursing home or while receiving home care without a break in the care for a period of time specified in the policy).

Elimination or Waiting Period: The elimination or waiting period is the number of days you must receive long term care services before benefits will be paid under the policy. During the elimination or waiting period you will have to privately pay for the care you receive. A new elimination or waiting period may be imposed for each period of care. Shorter periods increase the cost of coverage.

Preexisting Condition Limitation: A preexisting condition is a condition for which medical advice was given or treatment was recommended by, or received from, a licensed health care provider within six months before the effective date of coverage of the insured person. Some of the policies covering long term care services contain a preexisting condition limitation. This limitation is the period of time after you buy the policy that benefits will NOT be payable for care related to the preexisting condition. Some policies apply preexisting condition limitations only for medical conditions that are not disclosed on the application. Therefore, it is very important that you answer all questions on the application as completely as possible. Policies covering long term care services may not contain a preexisting condition limitation of more than six months after the effective date of coverage.

Policy Exclusions: Specific exclusions are listed in all long term care policies. Some of the more common exclusions in policies covering long term care services are:

- Mental illness, however, the policy may NOT exclude or limit benefits for Alzheimer's Disease, senile dementia, or demonstrable organic disease.
- Intentionally self-inflicted injuries.
- Alcoholism and drug addiction.
- Care in government nursing facilities unless a charge is made in which you are obligated to pay.
- Coverage while the insured is outside the United States and its possessions.

Daily Benefit Amount: Most of the policies covering long term care services currently being sold do not cover the full charge for a nursing facility or home health agency. Each indemnity policy limits payment to a daily benefit amount, which is the dollar amount payable per day based on the type of care being provided. Any charges above the daily benefit amount must be paid by you. Many indemnity policies cover provider charges up to the daily benefit amount.

Optional Benefits

The New York State Insurance Department requires that at the time of sale of policies covering long term care services, certain optional benefits must be offered. These options (and the types of policies they must be offered with) follow:

Inflation Protection: An Inflation Protection Benefit must be offered with "Long Term Care Insurance," "Nursing Home Insurance Only," "Home Care Insurance Only" and "Nursing Home and Home Care Insurance". Policies approved under the New York State Partnership for Long Term Care must contain an inflation protection benefit of at least 5% compounded annually, unless the policy is purchased at or after age 80. Remember, a daily benefit amount that is adequate today may not be adequate ten years from now. In an indemnity policy an inflation protection benefit increases the daily benefit amount and/or maximum policy benefit over time to help keep pace with inflation and increased expenses.

Nonforfeiture: A Nonforfeiture Benefit must be offered with "Long Term Care Insurance" policies. The nonforfeiture benefit is designed to ensure that if you lapse your policy (i.e., stop paying premiums) after a specified number of years, you retain some benefits from the policy.

There are currently two common types of nonforfeiture benefits being offered with certain insurance policies covering long term care services. These are referred to as a "Reduced Paid-Up Benefit" and a "Shortened Benefit Period." A brief description of these benefits follow:

- **Reduced Paid-Up Benefit:** If you purchase a reduced paid-up benefit, it will provide that if you lapse your policy after a specified number of years, the policy will continue with reduced daily benefit amounts (some insurers apply this nonforfeiture benefit only to nursing home benefits).
- **Shortened Benefit Period:** If you purchase a shortened benefit period, it will provide that if you lapse your policy after a specified number of years, the policy will continue to cover the same benefits (amounts and frequency in effect at the time of lapse) that would have been covered under your policy until the nonforfeiture benefit amount is exhausted. A similar nonforfeiture benefit that was offered in the past was known as an "Extended Term Benefit".

In other words, the "Reduced Paid-Up Benefit" provides reduced benefits for the original term of the policy, and the "Shortened Benefit Period" provides full benefits for a reduced period of time.

NOTE: ALL OF THE OPTIONAL BENEFITS NOTED ABOVE INCREASE THE COST OF THE BASIC POLICY.

Insurers Currently Offering Long Term Care Insurance

Insurer	Individual						Group		
	TQ	LTC	NHO	NH & HC	HCO	P	NP	P	TQ
Allianz Life Insurance Company of NY Administrative Office 5701 Golden Hills Drive Minneapolis, Minnesota 55416 1-800-950-1962 www.allianzlife.com	X	X							
American Family Life Assur. Co. of NY 22 Corporate Woods Boulevard Albany, New York 12211 1-800-366-3436 www.aflacny.com	X	X							
American Independent Network Ins. Co. Of New York 3440 Lehigh Street Allentown, Pennsylvania 18103 1-800-222-3469 www.penntreaty.com	X	X	X	X	X				

Insurer	Individual						Group		
	TQ	LTC	NHO	NH & HC	HCO	P	NP	P	TQ
Bankers Conseco Life Insurance Co. Administrative Office 222 Merchandise Mart Plaza Chicago, Illinois 60666 (312)396-6515 www.bankersconseco.com	X	X		X	X				
Berkshire Life Insurance Co. of America 700 South Street Pittsfield, MA 01201 1-800-819-2468 www.berkshire.com	X	X							
Continental Casualty Company CNA Group Long Term Care P. O. Box 946760 Maitland, Florida 32794-9776 1-877-777-9072 www.cna.com			X				X		X
First Unum Life Insurance Company 99 Park Avenue 6 th Floor New York, New York 10016 1-800-265-3199 www.unum.com	X		X	X			X		X
Genworth Life Insurance Co. of NY Customer Relations Office 6620 West Broad Street Richmond, Virginia 23230 1-888-GENWORTH www.genworth.com	X		X	X		X	X		X
John Hancock Life Insurance Co. P.O. Box 111 Boston, Massachusetts 02117 1-800-377-7311 www.johnhancocklongtermcare.com	X	X	X			X	X		X
Knights of Columbus 1 Columbus Plaza New Haven, CT 06510 1-800-214-9825 www.kofc.org	X		X		X				
Massachusetts Mutual Life Ins. Company Long Term Care Unit – M131 100 Bright Meadow Blvd. Enfield, CT 06082 1-800-272-2216 www.massmutual.com	X	X		X					

Insurer	Individual						Group		
	TQ	LTC	NHO	NH & HC	HCO	P	NP	P	TQ
MedAmerica Ins. Co. of New York 165 Court St. Rochester, NY 14647 1-800-544-0327 www.MedAmericaLTC.com	X	X	X		X	X	X	X	X
Metropolitan Life Insurance Company Administrative Office P.O. Box 937 Westport, Connecticut 06881-9909 1-800-308-0179 www.metlife.com	X	X	X			X	X	X	X
Mutual of Omaha Ins. Company Mutual of Omaha Plaza Omaha, Nebraska 68175 1-800-775-6000 www.mutualofomaha.com	X	X	X						
New York Life Ins. Company Long Term Care Division 6200 Bridge Point Parkway Suite 400 Austin, Texas 78730 1-800-224-4582 www.newyorklifeltc.com	X	X	X			X			
Northwestern Long Term Care Ins. Co. 720 East Wisconsin Avenue Milwaukee, Wisconsin 53202 1-877-582-6582 www.nmfn.com	X	X							
The Prudential Ins. Company of America P.O. Box 8519 Philadelphia, PA 19176 1-800-732-0416 www.prudential.com	X	X					X		X
State Farm Mutual Automobile Ins. Co. 1 State Farm Plaza Bloomington, Illinois 61710 1-866-855-1212 www.statefarm.com	X	X							
Transamerica Financial Life Insurance Company Administrative Offices P.O. Box 92107 Bedford, TX 76095-9207 www.transamericaltc.com	X	X							

KEY

TQ	Tax-qualified
LTC	Long Term Care insurance
NHO	Nursing Home insurance only
NH & HC	Nursing Home and Home Care insurance
HCO	Home Care Only insurance
P	Partnership policy
NP	Non-Partnership policy

Insurers who market tax qualified policies may also market non-tax qualified policies. This information can be obtained by contacting the insurance carrier. Insurers are not obligated to inform the Department when they stop selling an approved product. Since this list captures insurers that are actively selling at a given time, these policies may not continue to be available for purchase in the future.

Insurers who market tax qualified policies may also market non-tax qualified policies. This information can be obtained by contacting the insurance carrier. Insurers are not obligated to inform the Department when they stop selling an approved product. Since this list captures insurers that are actively selling at a given time, these policies may not continue to be available for purchase in the future.

Selecting a Company

When selecting an insurance policy, you are also selecting an insurance company and you may wish to know how stable that company is financially. Many firms rate the financial soundness of insurance companies. Some provide the ratings free while other charge a fee, ranging from a small fee for an online rating to a larger amount for quarterly reports. Each firm has a different rating scale and firms may differ in the conclusions they reach about a specific insurance company. Therefore, you may wish to check with more than one firm before selecting an insurance company. Listed below are some of the firms along with their phone numbers and web addresses:

- A.M. Best Insurance Review
1-908-439-2200 ext. 5742
www.ambest.com
- Fitch Ratings
1-800-75-FITCH
www.fitchratings.com
www.1bankwatch.com
- Moody's Investor's Service
1-212-553-0377
www.moody.com
- Standard & Poor's
1-212-438-2400
www.standardandpoors.com
- Thestreet.com
1-800-289-9222
www.thestreet.com/tscratings

One of the New York State Insurance Department's primary functions is overseeing the financial stability of insurance companies. A company's financial stability helps to assure the consumer that the company will be there to pay claims in the future. Few company failures have occurred in the past, and the Insurance Department remains confident that the statutory and regulatory framework currently in place will continue to afford the consumer the greatest protection and the least disruption to their coverage. When necessary, the Insurance Department will work with an insurer to take all reasonably feasible actions to rehabilitate its financial situation, including supervision of the reinsurance or sale of one or more blocks of business.

To date, New York has not experienced a company's financial failure involving long term care insurance. Several published opinions by the Insurance Department's Office of General Counsel have concluded that the Life Insurance Company Guaranty Corporation is applicable to long term care insurance policies issued by life insurance companies authorized to transact accident and health insurance in New York. Under this guaranty fund, life insurance companies that are members meet their obligations to the guaranty fund by offering coverage to those individuals who lose coverage under the insolvent firm. The coverage may or may not be the same as the prior coverage. This fund applies only to life insurance companies.

Premiums for Long Term Care Insurance

How much does it cost?

Only an insurance company can tell you the exact cost based on your individual age, health benefit choices and premium choices any premium discounts that may apply.

The Insurance Department's website (<http://www.ins.state.ny.us>) contains an interactive webpage where you can view examples of the annual cost of individual long term care insurance policies being offered in New York State based on certain variable criteria. On our website, click Consumers, scroll to the Long Term Care section, and click on Sample Annual Premiums for Long Term Care Insurance.

Here is an example of the type of information that is available on the website.

At age 55, an individual non-Partnership policy offering two years of coverage, a 100-day elimination period, at a benefit level of \$200 per day for Nursing Home, Assisted Living, and Home Care, five different policies are offered by three companies and the premiums range from \$720 to \$1,268 per year without inflation protection and from \$1,723 to \$3,063 per year with inflation protection.

For the same policy purchased at age 65, the premiums range from \$1,581 to \$2,767 per year without inflation protection and from \$2,847 to \$5,079 per year with inflation protection.

This comparison clearly illustrates how waiting to purchase long term care insurance impacts the cost.

The sample premiums are based upon a limited number of criteria. Many factors are considered in the pricing of a Long Term Care policy including, but not limited to, the daily benefit amount(s), benefit period, elimination period, level of inflation protection, age of the applicant, health of the applicant, and any premium discount that may apply. Any additional or innovative benefits purchased with a policy will most likely add to the cost. The policies that you are interested in may offer options that our website is not able to consider. You are encouraged to use our website and take the information that you receive from this interactive site and use it as the basis of a discussion with an insurance agent.

Can the premium increase?

Both initial premiums and premium increases must be approved by the Insurance Department. When a premium is approved for a new long term care insurance policy, it is expected to remain stable throughout the life of a policy. However, a company can seek the Department's approval of a premium change on a class basis. A premium increase on a class basis means that a person cannot be singled out for their own premium increase (for example, as your age or if you become ill). An increase could be approved for all persons who have a particular policy if something changed significantly with respect to the original assumptions made for that policy.

What increases were approved in the past in New York State?

INSURER	Form Number ¹	Original Policy Year ²	Group/ Individual	Open/ Closed Block ³	Increase Date	Percent Approved
BANKERS CONSECO (FORMERLY CONSECO)						
	ATIC-LTC-6-NY	1997	Individual	Closed	7/11/07	15%
	ATIC-LTC-6B-NY	1997	Individual	Closed	7/11/07	15%
CIGNA (FORMERLY CNA)						
	TL-001455	1990	Individual	Closed	11/29/04	20%
	TL-004043	1990	Individual	Closed	11/29/04	20%
CONTINENTAL CASUALTY COMPANY						
	P1-59806-A31	1988	Individual	Closed	2/28/00	15%
	P1-59806-A31	1988	Individual	Closed	10/07/04	15%
	P1-59806-A31	1988	Individual	Closed	11/07/06	15%
	P1-15203-A31	1991	Individual	Closed	10/07/04	15%
	P1-15203-A31	1991	Individual	Closed	11/07/06	15%
	P1-16356-A31	1991	Individual	Closed	10/07/04	15%
	P1-16356-A31	1991	Individual	Closed	11/07/06	15%
	P1-18584-A31	1993	Individual	Closed	10/07/04	15%
	P1-18585-A31	1993	Individual	Closed	10/07/04	15%
	P1-18876-A31	1995	Individual	Closed	10/07/04	15%
	P1-18878-A31	1995	Individual	Closed	10/07/04	15%
	P1-21295-A31	1995	Individual	Closed	10/07/04	15%
	P1-21300-A31	1995	Individual	Closed	10/07/04	15%
	P1-21305-A31	1995	Individual	Closed	10/07/04	15%
RIVERSOURCE (FORMERLY IDS)						
	38240	1989	Individual	Closed	11/22/06	15%
	38240C	1991	Individual	Closed	11/22/06	10%
METLIFE INSURANCE CO. OF CONNETICUT (FORMERLY TRAVELERS)						
	H-LTC2J-34	1991	Individual	Closed	8/2/05	8%
	H-LTC4JFQ16	1998	Individual	Closed	8/2/05	8%
	H-LTC4JQ2	1997	Individual	Closed	8/2/05	8%
	H-NYLC3J*	1993	Individual	Closed	8/2/05	8%
	H-NYLC3JQ*	1996	Individual	Closed	8/2/05	8%

¹ A unique policy "form number" can be found in the bottom left corner of the cover page of each policy form approved in New York.

² Year of Original Approval = The year in which the specific policy form number was initially approved for sale is provided to indicate the age of policy forms that have received approval for premium increases.

³ Open/Closed Block = A "block" of policies is the total number of policies underwritten and issued by the insurer that uses the same policy forms and rates. An "open" block of policies continues to be offered for sale. A "closed" block of policies remain in effect but new policies are not being sold.

* Partnership policy

What if the company stops selling the policy?

For a number of reasons, an insurer may decide to stop selling a certain policy to new applicants (also known as "closing a block of business"). Existing insureds are allowed to remain on the policy.

Since new, healthy people are not being added to the policy, some consumers are concerned that this will result in a premium increase. When the Department approves the initial premium of the policy, the policy must be shown to be self-supporting. This means increases should be unnecessary through the life of the insured pool provided the assumptions in the original pricing are correct. Rate increases will only be approved by the Insurance Department where actuarially justified to protect a company's financial stability.

Continuing Care Retirement Communities

Continuing care retirement communities (CCRCs) provide another option for meeting your long term care needs. This option may be very expensive and is only practical for those persons with higher than average incomes and significant assets to protect. CCRCs are residential communities that offer seniors a place to live that offer a variety of services and care, including long term care services. These communities provide, not only housing, but also organized social events, dining facilities, sports facilities, special interest clubs, outings and vacation opportunities. They also provide home care services, nursing facility services, adult home services and access to physician and other professional services for their residents.

Entrance fees for CCRCs may be substantial, and depending on the size and type of the dwelling chosen by the resident, can range in price from approximately \$200,000 to \$1 million. There is also an additional monthly fee that typically ranges from approximately \$2,000 to \$5,000.

CCRCs in New York State offer two different types of life care contracts for their residents. One type is all-inclusive (Type A), and the other provides modified (Type B) services:

- **Type A Contracts:** Type A contracts provide housing, residential services, many amenities and unlimited, specific health-related services, including long term care services. If the resident's health deteriorates to the point that they need long term care services or admission to the nursing home, all of the services covered under the contract are provided without an increase in the monthly fee (except for normal operating costs and inflation adjustments). The monthly fee also will not increase due to the amount of services the resident requires.

- **Type B Contracts:** Type B contracts provide housing, residential services and many amenities. This contract differs from the Type A contract in the amount of long term care services that will be provided before an adjustment is made in the amount of the monthly fee paid by the resident. For example, under this type of contract, the CCRC could allow residents a specified number of days in a nursing home without a change in the monthly fee. Once this limit is reached, the resident could be required to pay for continued nursing home services on a full per diem basis or a discounted per diem basis.

For a list of operational CCRCs in New York State, see Appendix 2.

Glossary of Terms

Activities of Daily Living (ADLs): Everyday actions performed by individuals such as dressing, eating, bathing, toileting, continence and transferring. Most insurance policies covering long term care services base your qualification for benefits on your inability to perform a certain number of ADLs.

Adult Day Care: Group supervision for elderly persons, including social and recreational services and in some cases health services, in a community facility.

Alternate Level of Care Benefits: Care in a hospital inpatient setting for those persons waiting to be placed in a nursing home or while arrangements are being made for home care.

Assisted Living Facility: A residential facility providing ongoing care and related services for persons needing assistance in the activities of daily living.

Copayment or Coinsurance: The amount you must pay for each medical service, outpatient hospital service or hospital stay.

Custodial Care: Non-medical care that meets your personal needs. For example, custodial care includes help eating, bathing, toileting, taking medication or walking.

Cognitive Impairment: Deterioration in intellectual activity such as thinking, reasoning or remembering.

Daily Benefit Amount: The amount your insurance policy will cover for each day of services provided. Some policies pay a flat daily benefit amount, while others will pay reasonable and customary charges up to the daily benefit amount.

Deductible: The amount you must pay for health care before Medicare or private medical insurance begins to pay.

Dementia: Impairment of intellectual faculties due to a disorder of the brain.

Elimination or Waiting Period: The elimination or waiting period is the number of days you must receive long term care services before benefits will be paid under the policy. During the elimination or waiting period you will have to privately pay for the care you receive. A new elimination or waiting period may be imposed for each period of care. Shorter periods increase the cost of coverage.

Free Look Period: The time period after receipt of the policy during which a policyholder can cancel and get a full refund. In New York State this period is 30 days for tax-qualified policies and from 10 to 30 days for non-tax-qualified policies.

Functional Impairment: The need for assistance to carry out a specific number of activities of daily living.

Guaranteed Renewable: Guaranteed renewable means that you have the right to continue the policy as long as the premiums are paid on a timely basis. An insurer cannot terminate the policy if your health declines. The insurer also cannot make any change in any provision of the policy while the insurance is in force without your agreement. An insurer cannot change the premium charged for the policy unless it is approved by the New York State Insurance Department, and unless it applies to all members of a class covered by the policy.

Home Care (personal care): Assistance with personal hygiene, dressing or feeding, nutritional or support functions and health-related tasks.

Home Health Care: Health services received in your home, including skilled nursing care, speech, physical or occupational therapy or home health aide services.

Hospice Care: A program of care and treatment, either in a hospice facility or in the home, for persons who are terminally ill and have a life expectancy of six months or less.

Inflation Protection Benefit: Increases the daily benefit amount and policy maximums over time to help keep pace with inflation and increased expenses.

Maximum Policy Benefit: The period of time or dollar amount limit for which long term care benefits will be paid under the policy.

Medicaid: A governmental program for low-income individuals and families.

Medicare: A federal program providing hospital and medical insurance to people aged 65 or older and to certain ill or disabled persons.

Medicare Supplement Insurance: Private insurance designed to fill in some of the major gaps in Medicare coverage.

New York City Metropolitan Area: The counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester.

Nonforfeiture Benefit: A benefit designed to ensure that if an insurance policy is lapsed after a specific number of years, some of the benefits from the policy will be retained.

Partnership for Long Term Care: A public-private partnership which provides that if a long term care policy qualifying under the partnership program is purchased, the insured will qualify for Medicaid services without spending down some or all of their assets (depending on the policy purchased) once the benefits under the policy are exhausted.

Period of Care: A specified number of days of care either in a nursing home or while receiving home care services without a break in the services for a specified number of days.

Preexisting Condition: A medical condition for which medical advice was given or treatment was recommended by, or received from, a licensed health care provider within six months before the effective date of coverage.

Respite Care: Services to provide family members a rest or vacation from caregiving responsibilities.

Skilled Nursing Care: A level of care that must be given or supervised by registered nurses.

Viatical Settlement: A cash lump sum paid in lieu of a life insurance policy's death benefits.

Waiting Period: The number of days you must be in a nursing facility or the number of days of home health care you must receive before long term care benefits will be paid under the policy. During the waiting period, you must privately pay for the nursing facility stay or home health care services.

Waiver of Premium: After a policyholder has received benefits for the specific number of days stated in the policy, no further premiums will be due until they leave the nursing home.

Additional Information

For additional copies of this consumer guide call (518) 473-7594, or write to:

Publications Unit
18th Floor
New York State Insurance Department
One Commerce Plaza
Albany, New York 12257

Any questions about long term care insurance coverage should be directed to the New York State Insurance Department at (212) 480-6400 or for New York State residents only, toll-free at 1-800-342-3736. Persons residing out of state should call (518) 474-6600.

Any questions about Partnership approved long term care policies should be directed to the New York State Insurance Department toll-free at 1-888-NYS-PLTC (1-888-697-7582). Information on the Partnership is also available on their Web site at: www.nyspltc.org

HIICAP (Health Insurance Information, Counseling and Assistance Program) - New York State's HIICAP provides free, confidential, accurate and unbiased health insurance information, counseling and assistance. Trained volunteer counselors and staff explain the coverage, costs, comparison and options of Medicare, Medicaid and private insurance, including Medigap and long term care insurance.

Phone No. 1-800-701-0501
Web site <http://hiicap.state.ny.us>

New York State Office for the Aging - The Office for the Aging is the central State agency to plan and coordinate programs and services for the aging at all levels in both the public and private sectors and operates the Senior Citizens' Hot Line.

NYS Senior Citizens' Hot Line 1-800-342-9871
Web site <http://aging.state.ny.us>

New York State Department of Health, Partnership for Long Term Care - The New York State Partnership for Long Term Care (the Partnership) is a unique and innovative program that combines private long term care insurance and Medicaid to help New Yorkers prepare financially for the possibility of needing nursing home or home care. The program allows New

Yorkers to protect their assets while remaining eligible for Medicaid if their long term care needs exceed the period covered by their private insurance policy.

Phone No. 1-888-NYS-PLTC (1-888-697-7582)

Web site <http://www.nyspltc.org>



Centers for Medicare and Medicaid Services - The Centers for Medicare & Medicaid Services (CMS) is a federal agency within the U.S. Department of Health and Human Services. CMS runs the Medicare program, Medicaid program, and State Children's Health Insurance Program (SCHIP) - three national health care programs that benefit over 80 million Americans.

Phone No. 1-800-638-6833

Web site <http://cms.hhs.gov>

Checklist for Purchasing Long Term Care Coverage

<p>How is your health? Some insurers will not issue a policy if you have an existing medical condition, and others may issue a policy but charge a higher premium.</p>			
<p>What is your age? The premiums for these policies are based on your age at the time of purchase. The older you are at the time you purchase a policy, the more expensive the policy will be.</p>			
<p>What type of policy do you want to buy to meet your long term care needs?</p>			
<input type="checkbox"/> Long Term Care	<input type="checkbox"/> Nursing Home and Home Care	<input type="checkbox"/> Nursing Home Only	<input type="checkbox"/> Home Care Only
<input type="checkbox"/> Partnership <input type="checkbox"/> Non-Partnership			
<p>Do you want: <input type="checkbox"/> Tax-Qualified, <input type="checkbox"/> Non-Tax-Qualified? It may be easier to qualify for benefits under a non-tax qualified policy.</p>			
<p>What Maximum Policy Benefit do you want? This is the total benefit available under the policy. Some insurers offer coverage for a certain number of years or unlimited coverage, others offer a dollar amount limit. The higher the number of years of benefits or the higher the dollar amount limit, the more expensive the coverage. In choosing this benefit you should keep in mind that it is estimated that the average nursing home stay is 2½ years.</p>			
<p>What Elimination/Waiting Period do you want? This is the amount of time you must pay for services before you receive benefits under the policy. A longer period will reduce the cost of the coverage. Medicare may pay some or all of the first 100 days if skilled nursing care is required.</p>			
<p>What Daily Benefit Amount do you want for nursing home? This is the maximum amount per day that will be paid under the policy. Before choosing this amount, you should check to see the average cost of nursing homes in the county in which you reside, and consider how much you can self-pay per day.</p>			
<p>What Daily Benefit Amount do you want for home care? This is the maximum amount per day that will be paid under the policy. Before choosing this amount, you should check to see the average cost of home care services in the county in which you reside, and consider how much you can self-pay per day.</p>			
<p>Do You Want An Inflation Protection Benefit? It is important to realize that a daily benefit amount which is adequate today to meet nursing home and home care costs may not be adequate at the time you need to use the benefits. The inflation protection benefit increases the daily benefit amount and policy maximums over time to help keep pace with inflation and increased expenses. Depending on your age, this benefit can be expensive. These are the most common inflation protection benefits offered:</p> <p><input type="checkbox"/> Increase of 5% compounded annually. Required For Partnership Policies Purchased Before Age 80.</p> <p><input type="checkbox"/> 5% per year</p> <p><input type="checkbox"/> Annual cost of living increase</p> <p><input type="checkbox"/> Option To Increase Benefits In The Future At Attained Age Rates.</p>			
<p>Do you want to purchase a non-forfeiture benefit? This benefit is designed to ensure that if you lapse your policy (i.e., stop paying premiums) after a number of years, you retain some benefits from the policy. Most nonforfeiture benefits being offered provide either reduced benefits for the original term of the policy, or full benefits for a reduced period of time. This benefit is expensive.</p>			

Operational Continuing Care Retirement Communities in New York State

Name	County	Living Facilities
Canterbury Woods Episcopal Church Home & Affiliates Life Care Community, Inc. 24 Rhode Island Street Buffalo, NY 14213 716-929-5800 www.canterburywoods.org/home.html	Erie	Independent living units, enriched housing units, nursing home beds
Glen Arden, Inc. 46 Harriman Drive Goshen, NY 10924 1-800-501-3936 www.elant.org	Orange	Independent living units, nursing home beds
Jefferson's Ferry 1 Jefferson Ferry Drive S. Setauket, NY 11720-9800 631-650-2600 www.jeffersonsferry.org	Suffolk	Independent living units, enriched housing units, nursing home beds
Kendal at Ithaca 2230 N. Triphammer Road Ithaca, NY 14850 800-253-6325 www.kai.kendall.org	Tompkins	Independent living units, enriched housing units, nursing home beds
Kendal on Hudson 1010 Kendal Way Sleepy Hollow, NY 10591 800-517-8964 kohud.kendal.org	Westchester	Independent living units, enriched housing units, nursing home beds
Peconic Landing at Southold 1500 Breaknock Road Greenport, NY 11944 888-273-2664 www.peconiclanding.com	Suffolk	Independent living units, enriched housing units, nursing home beds
Summit at Brighton Jewish Home of Rochester Sr. Housing, Inc. 2000 Summit Circle Drive Rochester, NY 14618 585-442-4500 www.summitbrighton.org	Monroe	Independent living units, enriched housing units, nursing home beds
Westchester Meadows 55 Grasslands Road Valhalla, New York 10595 914-989-7800 www.westchestermeadows.org/	Westchester	Independent living units, enriched housing units, nursing home beds