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*Commissioner*



## **The New York State Partnership for Long-Term Care**

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# **QUARTERLY UPDATE**

**July 1, 2009 – September 30, 2009**

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**Participating Insurers (as of the 3<sup>rd</sup> quarter, 2009):**

**Genworth Life Insurance Company of New York  
John Hancock Life Insurance Company  
MedAmerica Insurance Company of New York  
Metropolitan Life Insurance Company  
Mass Mutual  
New York Life Insurance Company**

# Executive Summary

The New York State Partnership for Long Term Care is a unique program designed to finance long term care based on the concept of a public-private partnership, linking private insurance to Medicaid. The program became operational on March 1, 1993 when the first group of five insurance companies was approved by the New York State Department of Insurance to market Partnership policies. Six insurance companies currently market Partnership policies and/or issue Partnership policy/certificates: *Genworth Life Insurance Company of New York, John Hancock Life Insurance Company, MedAmerica Insurance Company of New York, Metropolitan Life Insurance Company, Mass Mutual, and New York Life Insurance Company.*

In 2006, the New York State Partnership made available shorter, more affordable long-term care coverage. Currently, the Partnership offers four plans, including a Total Asset 50, Total Asset 100, Dollar for Dollar 50, and Dollar for Dollar 100 plans. The notations, 50 and 100, represent the percentage of benefit paid for the home care or home and community based care compared to the nursing home benefit.

Since April 1993, participating insurance companies have been submitting data quarterly on Partnership policy sales and any changes to these policies. This report is based on an analysis of these data. Following are the highlights:

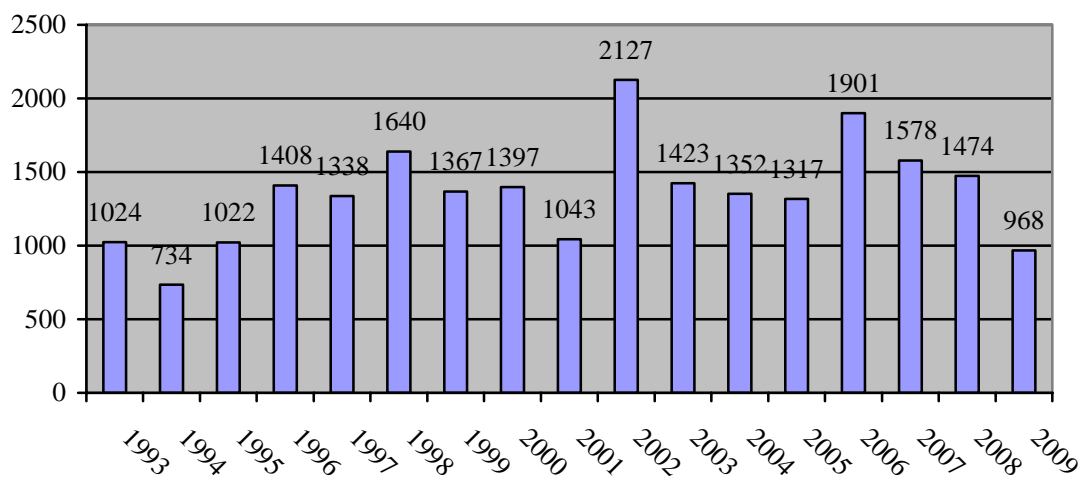
- Since April 1993, 123,781 applications for Partnership policies have been received. Of these, 21,079 (17%) were denied, 14,380 (12%) are pending or have been withdrawn, and 88,322 (71%) were approved and purchased.
- Of the 88,322 policies purchased, 21,023 were dropped—33% because the policy was not taken up during the 30-day free-look period, 21% because the policyholder died, and 19% because the policy was dropped voluntarily. As of the end of 3<sup>rd</sup> quarter 2009, 67,299 policies were in-force.
- Since April 1993, four percent of policies lapsed by their one-year anniversary, 6% by two years, 8% by three years, 10% by four years, 12% by five years, and 19% by 10 years.
- During 3<sup>rd</sup> quarter 2009, 968 policies were purchased (a 34% decline from 3<sup>rd</sup> quarter 2008), 309 were dropped, and 10 were reinstated. Forty percent of the policies dropped in 3<sup>rd</sup> quarter 2009 were dropped because the policyholder died, 14% because the policy was dropped voluntarily, and 7% because the policy was not taken-up during the 30-day free-look period.
- The below table compares several demographic characteristics & policy features of those who purchased a policy during 3<sup>rd</sup> quarter 2009 with all those who purchased prior to 3<sup>rd</sup> quarter 2009. Among policies purchased during 3<sup>rd</sup> quarter 2009, statistically significant differences are also pointed out.

	<b>Purchased during 3<sup>rd</sup> quarter 2009</b>		<b>Purchased prior to 3<sup>rd</sup> quarter 2009</b>
	<b>(968 policies)</b>		<b>(87,351 policies)</b>
<i>Average age</i>	59 years		62 years
<i>Female</i>	57%		58%
<i>Married</i>	77%		75%
<i>Live in upstate counties</i>	59%		66%
<i>Purchased Total Asset 50 plan</i>	61%	Those who were older & living in upstate counties more likely to purchase	94%
<i>Purchased Total Asset 100 plan</i>	33%	Those who were younger & living in New York City or downstate counties more likely to purchase	5%
<i>Purchased group policy</i>	2%	Those who were unmarried & living in New York City or downstate counties more likely to purchase	4%
<i>Purchased organization-sponsored policy</i>	23%	Those who were younger, married & living in upstate counties more likely to purchase	7%
<i>Average maximum daily nursing home benefit</i>	\$241	Those living in New York City or downstate counties more likely to choose higher amount	\$187
<i>Average maximum daily home care benefit</i>	\$183	Those who were younger & living in New York City or downstate counties more likely to choose higher amount	\$120
<i>Policy includes non-forfeiture benefit</i>	62%		28%
<i>Average annual premium</i>	\$2,901	Those who were older, unmarried & living in New York City or downstate counties had the highest premiums	\$2,380

## Partnership Policy Activity

	Cumulative since April 1993		3 <sup>rd</sup> quarter 2009	
	n	%	n	%
<i>Applications received</i>	123,781		1,476	
Denied	21,079	17%	266 <sup>1</sup>	
Pending/withdrawn	14,380	12%		
Policies purchased	88,322	71%	968	
<i>Policies dropped</i>	21,023 <sup>2</sup>		309 <sup>3</sup>	
Died	4,342	21%	125	40%
Dropped voluntarily	4,092	19%	44	14%
Unknown	5,512	26%	109	35%
Not taken up	6,901	33%	23	7%
Exhausted benefits	165	1%	8	3%
Non-forfeiture ( <i>Partnership status lost</i> )	3	< 1%	0	0%
Rescission	8	< 1%	0	0%
Policies reinstated	475		10 <sup>4</sup>	
<b>Active policies<sup>5</sup></b>	<b>67,299</b>			

**Number of Partnership Policies Newly Purchased  
in 3rd Quarter by Year**



<sup>1</sup> Applications may have been received in a previous quarter.

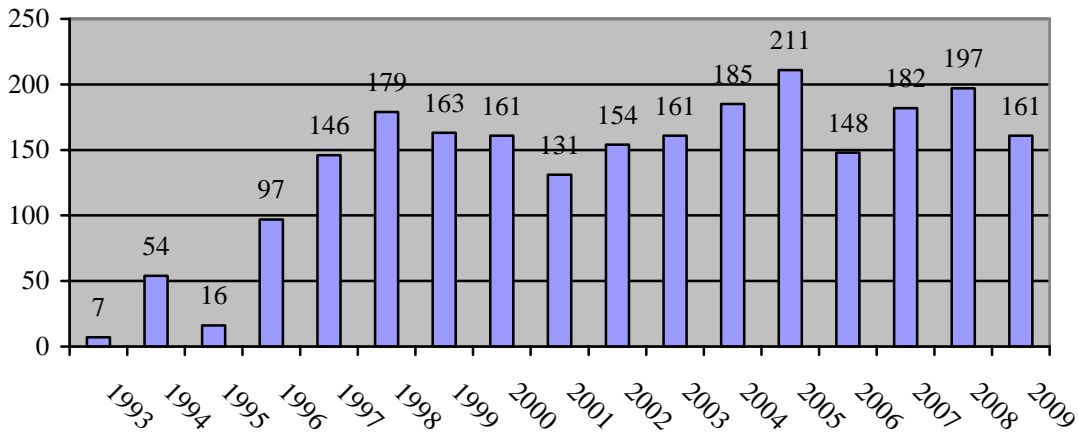
<sup>2</sup> Does not include policies that have been reinstated.

<sup>3</sup> Includes policies that were purchased and then dropped during the quarter.

<sup>4</sup> Of policies that were dropped in a previous quarter.

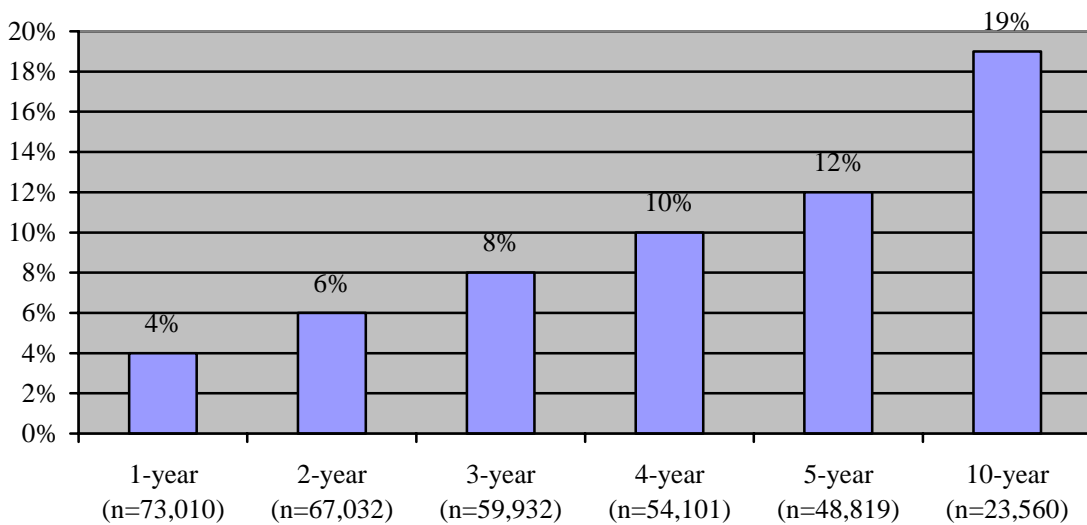
<sup>5</sup> Through the end of 3<sup>rd</sup> quarter 2009.

**Number of Partnership Policies Dropped  
in 3rd Quarter by Year (Excludes Policies Dropped Because of  
Policyholder Death or Cancellation During Free-Look Period)**



The below chart shows one-year through five-year and 10-year policy lapse rates through 3<sup>rd</sup> quarter 2009 (Sep 30 2009). The ‘n’s under the bars are the number of policies purchased on or before a date where they have had at least one, two, three, four, five or 10 years to be active and whose holders did not die, cancel during the free-look period or exhaust policy benefits. For example, under the ‘1-year’ bar, 73,010 policies were purchased on or before Sep 30, 2008 (policies purchased by this date have had at least one year to be active). Four percent of these policies lapsed before their one-year anniversary.

**Partnership Policy Lapse Rates**



## Who Purchased a Partnership Policy?

- Note:**
- ✓ Throughout this section and the next, percents may not add to 100 due to rounding.
  - ✓ 'n' = the number of cases (policies) that contain data values for the various variables that percents are based on.
  - ✓ \*, \*\*, \*\*\* denote statistically significant differences, or differences that are unlikely due to chance alone.

### Demographics

	Cumulative since April 1993 <b>87,351 policies purchased<sup>6</sup></b>	3 <sup>rd</sup> quarter 2009  <b>968 policies purchased</b>
<i>Age</i>	(n=87,351)	(n=968)
<= 44 years	2%	3%
45-49 years	4%	6%
50-54 years	11%	16%
55-59 years	21%	28%
60-64 years	26%	29%
65-69 years	20%	14%
70-74 years	11%	4%
>= 75 years	6%	1%
Average	62 years	59 years
Range	18-93 years	18-82 years
<i>Gender</i>	(n=87,351)	(n=968)
Female	58%	57%
Male	42%	43%
<i>Marital status</i>	(n=87,351)	(n=968)
Not married	25%	22%
Married	75%	77%
Civil union or domestic partner	< 1%	< 1%
<i>Geographic area (a complete breakdown can be found in the Appendix)</i>	(n=87,351)	(n=968)
New York City <sup>7</sup>	10%	12%
Downstate counties <sup>8</sup>	23%	29%
Upstate counties <sup>9</sup>	66%	59%

<sup>6</sup> Does not include policies purchased during 3<sup>rd</sup> quarter 2009.

<sup>7</sup> New York City's five boroughs.

<sup>8</sup> Metropolitan PMSA counties: Nassau, Putnam, Rockland, Suffolk, & Westchester.

<sup>9</sup> All other counties in New York State plus out-of-state addresses & addresses that are under review.

## Features of Purchased Partnership Policies

**Note:** ✓ The tables throughout this section are based on the 968 policies purchased during 3<sup>rd</sup> quarter 2009. The last, blue high-lighted, row in each table is based on all policies purchased prior to 3<sup>rd</sup> quarter 2009, for comparison.

**Type of Partnership Plan<sup>10</sup>**

	n	Total Asset					Dollar for Dollar	
		3-6-50	4-4-100	4-6-100	5-5-100	6-6-100	1.5-3-50	2-2-100
<i>Age*</i>								
<= 44 years	25	48%	40%	0%	8%	4%	0%	0%
45-49 years	58	53%	35%	0%	5%	5%	0%	2%
50-54 years	157	52%	43%	1%	1%	1%	1%	2%
55-59 years	266	62%	31%	0%	3%	3%	< 1%	1%
60-64 years	278	61%	34%	0%	1%	2%	1%	1%
65-69 years	132	69%	27%	0%	0%	1%	2%	2%
70-74 years	39	85%	10%	0%	0%	0%	3%	3%
>= 75 years	12	83%	17%	0%	0%	0%	0%	0%
<i>Gender</i>								
Female	548	61%	33%	0%	2%	2%	1%	2%
Male	419	61%	33%	< 1%	2%	2%	1%	1%
<i>Marital status</i>								
Not married	215	58%	35%	1%	1%	2%	2%	2%
Married	744	63%	32%	0%	2%	2%	1%	1%
Civil union or domestic Partner	4	(1)	(3)	(0)	(0)	(0)	(0)	(0)
<i>Geographic area***</i>								
New York City	117	50%	43%	0%	2%	3%	0%	2%
Downstate counties	277	52%	40%	0%	3%	4%	1%	1%
Upstate counties	574	68%	27%	< 1%	1%	1%	1%	1%
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>968</b>	<b>61%</b>	<b>33%</b>	<b>&lt; 1%</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>
<b>Cumulative since April 1993</b>	<b>87,351</b>	<b>94%</b>	<b>5%</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>

<sup>10</sup> Specific policy features and benefits can be found in the Appendix.

### Policy Category

	n	Individual	Group	Organization sponsored
<i>Age**</i>				
<= 44 years	25	52%	8%	40%
45-49 years	58	69%	0%	31%
50-54 years	156	72%	1%	28%
55-59 years	266	71%	3%	26%
60-64 years	278	81%	1%	18%
65-69 years	132	80%	1%	20%
70-74 years	39	77%	3%	21%
>= 75 years	12	100%	0%	0%
<i>Gender</i>				
Female	548	76%	2%	23%
Male	418	74%	2%	24%
<i>Marital status**</i>				
Not married	214	82%	4%	14%
Married	744	73%	1%	26%
Civil union or domestic partner	4	(3)	(0)	(1)
<i>Geographic area***</i>				
New York City	117	81%	5%	14%
Downstate counties	277	78%	3%	19%
Upstate counties	573	72%	1%	27%
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>967</b>	<b>75%</b>	<b>2%</b>	<b>23%</b>
<b>Cumulative since April 1993</b>	<b>87,318</b>	<b>90%</b>	<b>4%</b>	<b>7%</b>

### Purchase Type

	n	Upgrade	Replacement	New purchase
<i>Age</i>				
<= 44 years	24	0%	0%	100%
45-49 years	58	0%	0%	100%
50-54 years	157	0%	1%	99%
55-59 years	266	< 1%	< 1%	99%
60-64 years	278	< 1%	< 1%	99%
65-69 years	132	0%	2%	99%
70-74 years	39	0%	3%	97%
>= 75 years	12	0%	0%	100%
<i>Gender</i>				
Female	548	< 1%	1%	99%
Male	418	< 1%	1%	99%
<i>Marital status</i>				
Not married	214	0%	1%	99%
Married	744	< 1%	1%	99%
Civil union or domestic partner	4	(0)	(0)	(4)
<i>Geographic area**</i>				
New York City	117	2%	0%	98%
Downstate counties	276	0%	1%	99%
Upstate counties	573	0%	< 1%	100%
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>966</b>	<b>&lt; 1%</b>	<b>1%</b>	<b>99%</b>
<b>Cumulative since April 1993</b>	<b>68,751</b>	<b>3%</b>	<b>1%</b>	<b>97%</b>

### Elimination Period for Nursing Home & Home Care Benefits (In Days)

	n	Mean	Range
<i>Age*</i>			
<= 44 years	25	67	20-100
45-49 years	58	74	20-100
50-54 years	157	78	20-100
55-59 years	266	78	20-100
60-64 years	278	80	20-100
65-69 years	132	81	20-100
70-74 years	39	85	30-100
>= 75 years	12	89	60-100
<i>Gender</i>			
Female	548	78	20-100
Male	419	80	20-100
<i>Marital status**</i>			
Not married	215	78	20-100
Married	744	80	20-100
Civil union or domestic partner	4	40	20-100
<i>Geographic area</i>			
New York City	117	82	20-100
Downstate counties	277	80	20-100
Upstate counties	574	78	20-100
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>968</b>	<b>79</b>	<b>20-100</b>
<b>Cumulative since April 1993</b>	<b>87,304</b>	<b>78</b>	<b>0-100</b>

### Maximum Daily Nursing Home Benefit

	n	Mean	Range
<i>Age</i>			
<= 44 years	25	\$247	\$218-300
45-49 years	58	\$248	\$218-400
50-54 years	157	\$242	\$218-400
55-59 years	266	\$239	\$218-400
60-64 years	278	\$242	\$218-438
65-69 years	132	\$239	\$218-400
70-74 years	39	\$232	\$218-300
>= 75 years	12	\$236	\$220-350
<i>Gender</i>			
Female	548	\$241	\$218-438
Male	419	\$241	\$218-400
<i>Marital status</i>			
Not married	215	\$244	\$218-438
Married	744	\$240	\$218-400
Civil union or domestic partner	4	\$240	\$218-250
<i>Geographic area***</i>			
New York City	117	\$254	\$218-438
Downstate counties	277	\$245	\$218-400
Upstate counties	574	\$236	\$218-350
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>968</b>	<b>\$241</b>	<b>\$218-438</b>
<b>Cumulative since April 1993</b>	<b>87,324</b>	<b>\$187</b>	<b>\$70-525</b>

### Maximum Daily Home Care Benefit

	n	Mean	Range
<i>Age***</i>			
<= 44 years	25	\$206	\$109-300
45-49 years	58	\$208	\$109-400
50-54 years	157	\$194	\$109-400
55-59 years	266	\$179	\$109-400
60-64 years	278	\$185	\$109-400
65-69 years	132	\$176	\$109-400
70-74 years	39	\$153	\$109-300
>= 75 years	12	\$139	\$110-250
<i>Gender</i>			
Female	548	\$184	\$109-400
Male	419	\$182	\$109-400
<i>Marital status</i>			
Not married	215	\$191	\$109-400
Married	744	\$181	\$109-400
Civil union or domestic partner	4	\$210	\$120-250
<i>Geographic area***</i>			
New York City	117	\$223	\$109-400
Downstate counties	277	\$206	\$109-400
Upstate counties	574	\$164	\$109-300
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>968</b>	<b>\$183</b>	<b>\$109-400</b>
<b>Cumulative since April 1993</b>	<b>87,323</b>	<b>\$120</b>	<b>\$35-513</b>

### Non-Forfeiture Benefit<sup>11</sup>

	n	Purchased	Built-in	None
<i>Age</i>				
<= 44 years	25	0%	76%	24%
45-49 years	58	0%	67%	33%
50-54 years	157	0%	64%	36%
55-59 years	266	0%	63%	37%
60-64 years	278	0%	62%	38%
65-69 years	132	0%	60%	40%
70-74 years	39	0%	41%	59%
>= 75 years	12	0%	83%	17%
<i>Gender</i>				
Female	548	0%	62%	38%
Male	419	0%	63%	38%
<i>Marital status</i>				
Not married	215	0%	61%	40%
Married	744	0%	63%	37%
Civil union or domestic partner	4	(0)	(4)	(0)
<i>Geographic area</i>				
New York City	117	0%	56%	44%
Downstate counties	277	0%	60%	40%
Upstate counties	574	0%	65%	35%
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>968</b>	<b>0%</b>	<b>62%</b>	<b>38%</b>
<b>Cumulative since April 1993</b>	<b>87,346</b>	<b>4%</b>	<b>24%</b>	<b>72%</b>

<sup>11</sup> Benefit designed to ensure that if an insurance policy is lapsed after a specific period of time, some of the benefits from the policy will be retained and available to the insured. Partnership policies may have nonforfeiture benefits, but these reduced benefits may not be sufficient to meet the requirements for access to Medicaid Extended Coverage.

### Type of Non-Forfeiture Benefit (Among Policies With Purchased or Built-in Benefit)

	n	Shortened benefit period	Benefit bank	Reduced paid up	Other	Benefit bank + return of premium
<i>Age***</i>						
<= 44 years	19	21%	0%	0%	79%	0%
45-49 years	39	49%	0%	0%	51%	0%
50-54 years	101	46%	0%	0%	55%	0%
55-59 years	168	54%	0%	0%	46%	0%
60-64 years	172	69%	0%	0%	31%	0%
65-69 years	79	68%	0%	0%	32%	0%
70-74 years	16	63%	0%	0%	38%	0%
>= 75 years	10	80%	0%	0%	20%	0%
<i>Gender</i>						
Female	342	60%	0%	0%	40%	0%
Male	262	55%	0%	0%	45%	0%
<i>Marital status***</i>						
Not married	130	76%	0%	0%	24%	0%
Married	470	53%	0%	0%	47%	0%
Civil union or domestic partner	4	(0)	(0)	(0)	(4)	(0)
<i>Geographic area***</i>						
New York City	65	68%	0%	0%	32%	0%
Downstate counties	167	73%	0%	0%	27%	0%
Upstate counties	372	49%	0%	0%	51%	0%
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>604</b>	<b>58%</b>	<b>0%</b>	<b>0%</b>	<b>42%</b>	<b>0%</b>
<b>Cumulative since April 1993</b>	<b>24,917</b>	<b>71%</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>	<b>22%</b>	<b>7%</b>

### Annual Premium

	n	Mean	Range
<i>Age***</i>			
<= 44 years	25	\$2,042	\$1,044-3,464
45-49 years	58	\$2,194	\$1,007-7,800
50-54 years	157	\$2,236	\$694-9,650
55-59 years	265	\$2,373	\$794-8,824
60-64 years	278	\$2,935	\$1,011-8,187
65-69 years	132	\$3,815	\$1,434-7,466
70-74 years	39	\$5,220	\$2,471-8,643
>= 75 years	12	\$9,772	\$6,733-13,039
<i>Gender</i>			
Female	548	\$2,952	\$794-13,039
Male	418	\$2,825	\$694-9,650
<i>Marital status***</i>			
Not married	214	\$2,728	\$1,044-13,039
Married	744	\$2,635	\$694-10,036
Civil union or domestic partner	4	\$2,494	\$1,529-3,085
<i>Geographic area***</i>			
New York City	117	\$3,324	\$1,044-10,949
Downstate counties	277	\$3,107	\$694-9,650
Upstate counties	573	\$2,714	\$863-13,039
<b>Total 3<sup>rd</sup> quarter 2009</b>	<b>967</b>	<b>\$2,901</b>	<b>\$694-13,039</b>
<b>Cumulative since April 1993</b>	<b>87,150</b>	<b>\$2,380</b>	<b>\$209-39,432</b>

# Appendix

<b>Policy Features &amp; Benefits</b>				
	Total Asset 50	Total Asset 100	Dollar for Dollar 50	Dollar for Dollar 100
<i>Asset Protection</i>	Total asset protection	Total asset protection	Partial asset protection based on the amount of benefit paid	Partial asset protection based on the amount of benefit paid
<i>Nursing Home Benefit (shared by all plans)</i>	Nursing home minimum benefit is \$218 per day for 2009*	Nursing home minimum benefit is \$218 per day for 2009*	Nursing home minimum benefit is \$218 per day for 2009*	Nursing home minimum benefit is \$218 per day for 2009*
<i>Home Care Payment</i>	Set at 50% of nursing home benefits	Set at 100% of nursing home benefits	Set at 50% of nursing home benefits	Set at 100% of nursing home benefits
<i>Duration</i>	3 years of nursing home or 6 years of home care or a combination of the two	4 years of nursing home, residential facility, or home and community based care, or a combination of the three	1.5 years of nursing home or 3 years of home care or a combination of the two	2 years of nursing home, residential care facility, or home and community based care, or a combination of the three
<i>Residential Care Facility Benefit</i>	NA**	Residential care facility minimum benefit is \$218 for 2009*	NA**	Residential care facility minimum benefit is \$218 for 2009*
<i>Home &amp; Community Based Care Benefit</i>	Home care minimum benefit is \$109 per day for 2009*	Home and community based care minimum benefit is \$218 per day for 2009*	Home care minimum benefit is \$109 per day for 2009*	Home and community based care minimum benefit is \$218 per day for 2009*
<i>Elimination Period</i>	No greater than 100 days. Policies with fewer days of elimination can be purchased for an increased premium.	No greater than 100 days. Policies with fewer days of elimination can be purchased for an increased premium.	No greater than 60 days. Policies with fewer days of elimination can be purchased for an increased premium.	No greater than 60 days. Policies with fewer days of elimination can be purchased for an increased premium.
<i>Basic Benefits (shared by all plans)</i>	<ul style="list-style-type: none"> <li>• Nursing home care</li> <li>• Home care</li> <li>• Respite care (14 nursing home equivalent days per year)</li> <li>• Care management (two days of long-term care planning services by a professional)</li> <li>• Alternate level of care (days spent in a hospital waiting for long-term care placement)</li> <li>• Nursing home bed reservation (20 days per year)</li> <li>• Hospice care</li> </ul>			
<i>Other Coverage features (shared by all plans)</i>	<ul style="list-style-type: none"> <li>• 5% inflation protection, compounded annually (inflation protection is optional for persons 80 years of age or older at the time of purchase)</li> <li>• Level premiums***</li> <li>• Guaranteed renewable regardless of health changes</li> <li>• Extended grace period</li> <li>• Portability—coverage under the private insurance can be used outside of New York State, however, Medicaid Extended Coverage is only available to persons who are residents of New York at the time of application</li> <li>• Denied Benefit authorization is monitored by the Partnership</li> </ul>			
<i>Optional Benefits (may be added to any plan, including but not limited to):</i>	<ul style="list-style-type: none"> <li>• Waiver of premium</li> <li>• Combined home care benefit</li> <li>• Independent provider benefit</li> <li>• Non-licensed/non-certified provider benefit (not offered in the Dollar for Dollar 50 and Total Asset 50 policies)</li> </ul>			

\* Higher than minimum coverage is available.

\*\* Benefit for this care is available as a home care payment.

\*\*\* Individual policy premiums cannot be raised, but premium rates on a class basis may be raised with the approval of the New York State Insurance Department when the solvency of the class of policies is in question.

