



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

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# **QUARTERLY UPDATE**

**Volume 13 Number 3 July 1, 2005 – September 30, 2005**

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### **Participating Insurers (as of the 3rd quarter, 2005):**

**CNA Insurance Group  
Genworth Life Insurance Co of NY  
John Hancock Life Insurance  
MedAmerica Insurance Co. of NY  
Metropolitan Life Insurance  
New York Life Insurance  
The Prudential**

## EXECUTIVE SUMMARY

The New York State Partnership for Long Term Care is a unique program 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. Program participation requires participating insurance companies to submit quarterly data on Partnership policy sales activity. This descriptive report is based on an analysis of these data.

This report presents basic data on cumulative Partnership policy sales since April 1993 and provides an in-depth description of activity which occurred during the 3<sup>rd</sup> quarter of 2005 (July 1 – September 30). Seven insurance companies marketed Partnership policies or issued Partnership policy certificates during this period: **CNA Insurance Companies, MedAmerica Insurance Company of New York, Genworth Life Insurance Company of NY, John Hancock Life Insurance Company, Metropolitan Life Insurance Company, New York Life Insurance Company, and Prudential Insurance Company.**

From April 1993 through September 2005, the cumulative number of applications for the Partnership policies was **89,014**. Of the **80,675** applications which resulted in an underwriting decision, **65,456** (81%) were approved for coverage while **15,219** (19%) were denied. As of September 30, 2005, there were **50,546** active Partnership policyholders. The majority of these policyholders were female (59%) and married (73%); their mean age was **62** years; they tended to be first-time purchasers of LTC insurance (96%); they purchased individual policies (90%).

During the 3<sup>rd</sup> quarter of 2005, **1,861** applications were received by the 7 participating companies. Of the **1,657** applications which resulted in an underwriting decision, **1,317** (79%) were approved for coverage while **340** (21%) were denied. During the quarter, **314** policyholders lapsed or canceled their policies, including **95** who died. Another **131** individuals chose to relinquish their policy during the free-look period.

During the 3<sup>rd</sup> quarter of 2005, **1,317** policyholders were approved for coverage (includes applicants from previous quarters.) Of these, **98** percent were first time purchasers, while the remainder consisted of prior policyholders who either replaced their old policies from a different company or converted to a Partnership policy within the same company. Women accounted for **59** percent; married persons comprised **72** percent; and **66** percent were individual policies. The age of policyholders at purchase ranged from **29** to **84**, with a mean age of **60** years.

The average annual premium cost for all policyholders was **\$2,577**. Only **31** percent of all policies sold contained minimum daily benefit amounts, while packages as high as **\$400/day** for nursing home and **\$350/day** for home care were also purchased. Forty-one (41) percent of policyholders selected a 100-day deductible, while **19** percent chose a deductible of 30 days or less; eleven (**11**) percent selected a non-forfeiture option. Fifty-six (**56**) percent of the **9** policyholders who were 80 years of age or older at the time of purchase elected to buy optional inflation protection.

## Summary Report – NEW YORK

	Quarter 3 2005	Through 9/30/05
<i>Applications Received:</i>	<b>1,861</b>	<b>89,014</b>
<b>Applications Denied:</b>	340	15,219
<b>Applications Pending &amp; Withdrawn:</b>	N/A	8,339
<i>Policies Purchased:</i>	<b>1,317</b>	<b>65,456</b>
<b>Policies Dropped (voluntarily &amp; for unknown reasons*):</b>	219	6,760
<b>Policies Not Taken Up (dropped within 30 day free look period):</b>	131	6,270
<i>Total Policies In Force (active):</i>	N/A	<b>50,456</b>
<b>Policyholders Who Received Service Payments:</b>	512	1,422

**\* Does not include drops reported as deaths, rescissions or exhausted benefits.**

Note: All Partnership States (California, Connecticut, Indiana, and New York) have agreed to provide this Quarterly Summary Report with the same format and definitions.

# NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE

## SUMMARY CUMULATIVE STATISTICS ON PARTNERSHIP ACTIVITY SINCE APRIL, 1993

<b>APPLICATIONS RECEIVED<sup>a</sup></b>	<b>89,014</b>
<b>APPLICATIONS PROCESSED</b>	<b>80,675</b>
APPLICATIONS APPROVED	65,456 (81%)
APPLICATIONS DENIED	15,219 (19%)
<b>ACTIVE POLICYHOLDERS<sup>b</sup></b>	<b>50,456</b>
MALE	20,556 (41%)
FEMALE	29,900 (59%)
MARRIED	36,613 (73%)
NOT MARRIED	12,477 (25%)
UNKNOWN	1,364 ( 3%)
AGE	62 (Mean) 62 (Median) 21 (Minimum) 96 (Maximum)
1st TIME PURCHASERS	48,229 (96%)
UPGRADES (Internal)	1,784 ( 3%)
REPLACEMENTS (External)	443 ( 1%)
INDIVIDUAL	45,306 (90%)
GROUP	2,130 ( 4%)
ORG. SPONSORED	3,020 ( 6%)
NYC (Metro Area) <sup>c</sup>	15,386 (31%)
UPSTATE <sup>d</sup>	35,070 (70%)
<b>POLICIES DROPPED<sup>e</sup></b>	<b>15,021</b>
	6,270 Not Taken
	1,941 Died
	6,810 Other

**a. Includes applications which were withdrawn or are currently pending.**

**b. Excludes purchasers who dropped their policies as of end of quarter.**

**c. Includes NYC five boroughs, Nassau, Suffolk, & Westchester.**

**d. Includes policyholders who live outside N.Y. State or whose addresses are under review.**

**e. Adjusted for reinstatements.**

➤ **Due to rounding, percents may not equal 100.**

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE**  
**SUMMARY STATISTICS FOR THE PERIOD *JULY 1 TO SEPTEMBER 30, 2005***

APPLICATIONS RECEIVED <sup>a</sup>	1,861
APPLICATIONS PROCESSED <sup>b</sup>	1,657
APPLICATIONS APPROVED	1,317 (79%)
APPLICATIONS DENIED	340 (21%)
APPROVED POLICYHOLDERS	1,317
MALE	536 (41%)
FEMALE	781 (59%)
MARRIED	954 (72%)
NOT MARRIED	356 (27%)
UNKNOWN	7 ( 1%)
AGE	60 (Mean) 59 (Median) 29 (Minimum) 84 (Maximum)
1st TIME PURCHASERS	1,285 (98%)
UPGRADES (Internal)	18 ( 1%)
REPLACEMENTS (External)	14 ( 1%)
INDIVIDUAL	871 (66%)
GROUP	32 ( 2%)
ORG. SPONSORED	414 (31%)
NYC (Metro Area) <sup>c</sup>	523 (40%)
UPSTATE <sup>d</sup>	794 (60%)
POLICIES DROPPED <sup>e</sup>	445 131 Not Taken 95 Died 219 Other
POLICIES REINSTATED	10

<sup>a</sup> Refers to applications received during the current quarter, only.

<sup>b</sup> Refers to underwriting decisions made during the current quarter, regardless of application date.

<sup>c</sup> Includes NYC five boroughs, Nassau, Suffolk, & Westchester.

<sup>d</sup> Also includes policyholders whose addresses are under review.

<sup>e</sup> Refers to policyholders who dropped policies during current quarter.

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE  
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS (N=1,317)**

*JULY 1 TO SEPTEMBER 30, 2005*

**DEMOGRAPHICS**

**AGE RANGE: 29-84**

**AGE DISTRIBUTION**

<b>&lt;=35</b>	<b>36-45</b>	<b>46-55</b>	<b>56-60</b>	<b>61-65</b>	<b>66-70</b>	<b>71-75</b>	<b>76-80</b>	<b>81-85</b>	<b>86+</b>
7	34	322	375	333	152	62	25	7	-
(<1%)	(3%)	(24%)	(29%)	(25%)	(12%)	(5%)	(2%)	(1%)	(-)

**DEMOGRAPHIC CATEGORY**

**COMPOSITION**

**MEAN AGE**

# Pct.

**ALL POLICYHOLDERS**

1,317 100 60

**POLICY CATEGORY**

INDIVIDUAL	871	66		60
GROUP		32	2	62
ORGANIZATION-SPONSORED	414	31		58

**GENDER**

MALES	536	41		60
FEMALES	781	59		59

**MARITAL STATUS**

NOT MARRIED	356	27		61
MARRIED	954	72	59	
UNKNOWN	7	1		59

**PURCHASE TYPE**

UPGRADES (Internal Replacements)	18	1		59
REPLACEMENTS (External)	14	1		63
NEW PURCHASERS	1,285	98		59

**GEOGRAPHIC REGIONS**

NEW YORK CITY <sup>a</sup>			170	13		60	<b>DOWNSTATE</b>
COUNTIES <sup>b</sup>	394	30			59		
UPSTATE COUNTIES <sup>c</sup>			753	57		59	

a The five boroughs of New York

b Metropolitan PMSA counties: Nassau, Putnam, Rockland, Suffolk, and Westchester.

c All other counties in New York State.

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP  
FOR LONG TERM CARE**

**SUMMARY STATISTICS OF APPROVED POLICYHOLDERS (N=1,317)**

*JULY 1 TO SEPTMBER 30, 2005*

<b>POLICY FEATURES</b>
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**MAXIMUM LENGTH OF NURSING HOME AND HOME CARE COVERAGE**

<u>NURSING HOME</u>	<u>HOME CARE</u>	<u>POLICYHOLDERS</u>	
		#	Pct.
3 years	6 years	1,285	98
4 years	8 years	15	1
5 years	10 years	17	1

**ELIMINATION PERIOD**

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
0	6	1
20	114	9
30	113	9
45	109	8
60	29	2
90	411	31
100	535	41

**WAIVER OF PREMIUM**

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	2,781	100
Home Care	571	43

\* Not mutually exclusive

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP  
FOR LONG TERM CARE**

**SUMMARY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,317)**

*JULY 1 TO SEPTEMBER 30, 2005*

<b>POLICY FEATURES</b>
------------------------

**NON-FORFEITURE BENEFIT**

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	1,166	89
Shortened Benefit Period	148	11
Return of Premium	3	<1

**PREMIUM PAYMENT MODE**

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	165	13
Quarterly	280	21
Semi-Annual	92	7
Annual	780	59

**INFLATION PROTECTION STATUS FOR AGE 80 AND OVER\***

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	4	44
5% Compounded	5	56

\* New York State Partnership for Long Term Care mandates a minimum of inflation protection of 5% compounded annually for Program participants under purchase age 80.

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP  
FOR LONG TERM CARE**

**SUMMARY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,317)**

*JULY 1 TO SEPTEMBER 30, 2005*

**POLICY FEATURES**

**MAXIMUM NURSING HOME DAILY BENEFIT**

**RANGE:                 \$175-\$400**  
**MEAN:                 \$207**  
**MEDIAN:               \$200**

<b>MAXIMUM DAILY BENEFIT (\$)</b>	<b>POLICYHOLDERS</b>	
	(#)	(Pct.)
<b>≤ \$180*</b>	539	41
<b>\$181 - \$189</b>	4	<1
<b>\$190 - \$199</b>	10	1
<b>\$200</b>	400	30
<b>\$201 - \$249</b>	139	11
<b>\$250+</b>	225	17

\* New York State Partnership for Long Term Care requires a minimum Nursing Home Daily Benefit Amount of \$180 in 2005. This report also includes policies issued prior to 2005.

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- Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP  
FOR LONG TERM CARE**

**SUMMARY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,317)**

*JANURARY 1 TO JUNE 30, 2005*

<b>POLICY FEATURES</b>
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**MAXIMUM HOME CARE DAILY BENEFIT**

**RANGE:**                    **\$87.50 - \$350**  
**MEAN:**                    **\$132**  
**MEDIAN:**                 **\$100**

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$90*	415	32
\$91 - \$99	6	1
\$100 - \$124	358	27
\$125 - \$149	129	10
\$150 - \$199	172	13
\$200+	237	18

\* New York State Partnership for Long Term Care requires a minimum Home Care Daily Benefit Amount of \$90 in 2005. This report also includes policies issued prior to 2005.

HOME CARE DAILY BENEFIT	POLICYHOLDERS	
	(#)	(Pct.)
<b>50% Nursing Home Benefit</b>	<b>936</b>	<b>71</b>
<b>80% Nursing Home Benefit</b>	<b>47</b>	<b>4</b>
<b>100% Nursing Home Benefit</b>	<b>334</b>	<b>25</b>

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE  
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,317)**

***JULY 1 TO SEPTEMBER 30, 2005***

**AVERAGE (MEAN) POLICY PREMIUMS**

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,577	1,317	\$2,981	58	\$2,556	1,226	\$2,675	33
<40	\$1,359	13	-	-	\$1,359	13	-	-
40-44	\$1,590	19	-	-	\$1,590	19	-	-
45-49	\$1,643	67	\$752	1	\$1,681	63	\$1,145	3
50-54	\$1,835	194	\$1,031	3	\$1,855	183	\$1,687	8
55-59	\$2,116	383	\$1,519	8	\$2,135	363	\$1,949	12
60-64	\$2,426	347	\$1,852	15	\$2,457	328	\$2,051	4
65-69	\$3,248	180	\$2,300	6	\$3,280	169	\$3,332	5
70-74	\$4,612	77	\$3,596	14	\$4,838	63	-	-
75-79	\$7,166	28	\$6,178	8	\$7,561	20	-	-
80+	\$9,723	9	\$5,188	3	\$9,772	5	\$23,083	1

**BASIC:** Basic policy includes the following policy features:

- 1) 3 years of nursing home care (\$180 daily benefit for 2005);
- 2) 6 years of home care (\$90 daily benefit for 2005);
- 3) inflation protection at the annual rate of 5% compounded;
- 4) 100 day elimination period;
- 5) no non-forfeiture benefit; and
- 6) all other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39). Enriched benefit coverage may be provided if there is no or minimal (2% or less) premium impact from the premium cost without such enriched benefits.

**OPTIONAL:** Optional policy includes the following policy features:

- 1) 3 years of nursing home (minimally \$180 DBA for 2005);
- 2) 6 years of home care (minimally \$90 for 2005);
- 3) inflation protection minimally at the annual rate of 5% compounded;
- 4) up to 100 day elimination period; and
- 5) at minimum, all other benefit standards defined in New York Insurance Department Regulation No. 144 (11 NYCRR 39).

**BASIC+:** Basic+ policy is defined as policies offering benefit coverage beyond those provided by Basic and Optional policies.





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