



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

---

# **QUARTERLY UPDATE**

**Volume 9 Number 3 July 1, 2001 – September 30, 2001**

---

### **Prepared by:**

**Adrianna Takada, Ph.D. & Patrick Breen**

Report Prepared on May 5, 2002

---

#### **Participating Insurers:**

**American Progressive  
CNA Insurance Companies  
Conseco Life Insurance Co of NY  
First Fortis Insurance Company  
G. E. Capital Life Assurance Co of NY  
John Hancock Life Insurance  
Massachusetts Mutual Life Insurance**

**MedAmerica Insurance Co. of NY  
Metropolitan Life Insurance  
Mutual of Omaha  
New York Life Insurance  
The Prudential  
Teachers Insurance and Annuity Assoc  
TransAmerica Life Insurance Co.**

## 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. Fourteen insurance companies are currently approved to sell Partnership policies, which includes four group offerings. 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 3rd quarter of 2001 (July 1 – September 30). Thirteen insurance companies marketed Partnership policies during this quarter: **American Progressive Life & Health Insurance Company of N.Y., Conesco Life Insurance Company, CNA Insurance Companies, MedAmerica Insurance Company of New York, First Fortis Insurance Company, GE Capital Life Assurance Company of NY, John Hancock Life Insurance Company, Metropolitan Life Insurance Company, Mutual of Omaha Insurance Company, New York Life Insurance Company, Prudential Insurance Company, Teachers Insurance and Annuity Association, and Massachusetts Mutual Life Insurance Company.**

From April 1993 through September 2001, the cumulative number of applications for the Partnership policies was **55,860**. Of the **50,275** applications which resulted in an underwriting decision **41,261** (82%) were approved for coverage while **9,014** (18%) were denied. As of September 30, 2001, there were **32,406** active Partnership policyholders. The majority of these policyholders were female (60%) and married (71%); their mean age was **65** years; they tended to be first-time purchasers of LTC insurance (94%); they purchased individual policies (92%).

During the 3rd quarter of 2001, **1,351** applications were received by the 13 participating companies. Of the **1,351** applications which resulted in an underwriting decision, **1,055** (78%) were approved for coverage while **295** (22%) were denied. During the quarter, **200** policyholders lapsed or canceled their policies, including **53** who died. Another **95** individuals chose to relinquish their policy during the free-look period.

During the reporting quarter, **1,055** policyholders were approved for coverage (includes applicants from previous quarters.) Of these, **97** 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 **62** percent; married persons comprised **73** percent; and **95** percent were individual policies. The age of policyholders at purchase ranged from **38** to **86**, with a mean age of **64** years.

The average annual premium cost for all policyholders was **\$2,373**. Only **5.3** percent of all policies sold contained minimum daily benefit amounts, while packages as high as **\$330/day** for nursing home and **\$300/day** for home care were also purchased. Seventy-two (72) percent of policyholders selected a 100-day deductible, while **27** percent chose a deductible of 30 days or less; only **21%** selected a non-forfeiture option. Thirty-three (33) percent of the **40** policyholders who were 80 years of age or older at the time of purchase elected to buy optional inflation protection.

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

**SUMMARY CUMULATIVE STATISTICS ON PARTNERSHIP ACTIVITY SINCE  
APRIL 1993**

APPLICATIONS RECEIVED <sup>a</sup>	55,860
APPLICATIONS PROCESSED	50,275
APPLICATIONS APPROVED	41,261 (82%)
APPLICATIONS DENIED	9,014 (18%)
ACTIVE POLICYHOLDERS <sup>b</sup>	32,406
MALE	13,056 (40%)
FEMALE	19,350 (60%)
MARRIED	22,946 (71%)
NOT MARRIED	8,448 (26%)
UNKNOWN	1,012 (3%)
AGE	65 (Mean) 65 (Median) 19 (Minimum) 93 (Maximum)
1st TIME PURCHASERS	30,520 (94%)
UPGRADES (Internal)	1,583 (5%)
REPLACEMENTS (External)	303 (1%)
INDIVIDUAL	29,706 (92%)
GROUP	1,088 (3%)
ORG. SPONSORED	1,612 (5%)
NYC (Metro Area) <sup>c</sup>	8,217 (25%)
UPSTATE <sup>d</sup>	24,189 (75%)
POLICIES DROPPED <sup>e</sup>	8,875 4,350 Not Taken 518 Died 4,007 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 QUARTER *JULY 1 TO SEPTEMBER 30 2001***

APPLICATIONS RECEIVED <sup>a</sup>	1,351
APPLICATIONS PROCESSED <sup>b</sup>	1,350
APPLICATIONS APPROVED	1,055 (78%)
APPLICATIONS DENIED	295 (22%)
APPROVED POLICYHOLDERS	1,055
MALE	406 (39%)
FEMALE	649 (62%)
MARRIED	768 (73%)
NOT MARRIED	255 (24%)
UNKNOWN	32 ( 3%)
AGE	64 (Mean) 64 (Median) 38 (Minimum) 86 (Maximum)
1st TIME PURCHASERS	1,028 (97%)
UPGRADES (Internal)	24 ( 2%)
REPLACEMENTS (External)	3 (<1%)
INDIVIDUAL	1,006 (95%)
GROUP	0 ( 1%)
ORG. SPONSORED	49 ( 5%)
NYC (Metro Area) <sup>c</sup>	172 (16%)
UPSTATE <sup>d</sup>	883 (84%)
POLICIES DROPPED <sup>e</sup>	295 95 Not Taken 53 Died 147 Other
POLICIES REINSTATED	6

<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  
 QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,055)**

*JULY 1 TO SEPTEMBER 30, 2001*

**DEMOGRAPHICS**

**AGE RANGE: 38-86**

**AGE DISTRIBUTION**

<=35	36-45	46-55	56-60	61-65	66-70	71-75	76-80	81-85	86+
0 (0%)	11 (1%)	147 (14%)	194 (18%)	290 (28%)	192 (18%)	128 (12%)	63 (6%)	29 (3%)	1 (<1%)

<u>DEMOGRAPHIC CATEGORY</u>	<u>COMPOSITION</u>		<u>MEAN AGE</u>
	#	Pct.	
<b>ALL POLICYHOLDERS</b>	1,055	100	64
<b>POLICY CATEGORY</b>			
INDIVIDUAL	1,006	95	64
GROUP	-	-	-
ORGANIZATION-SPONSORED	49	5	65
<b>GENDER</b>			
MALES	406	39	64
FEMALES	649	62	64
<b>MARITAL STATUS</b>			
NOT MARRIED	255	24	66
MARRIED	768	73	63
UNKNOWN	32	3	68
<b>PURCHASE TYPE</b>			
UPGRADES (Internal Replacements)	24	2	66
REPLACEMENTS (External)	3	<1	64
NEW PURCHASERS	1,028	97	64
<b>GEOGRAPHIC REGIONS</b>			
NEW YORK CITY <sup>a</sup>	39	4	65
DOWNSTATE COUNTIES <sup>b</sup>	145	14	65
UPSTATE COUNTIES <sup>c</sup>	871	83	64

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**

**QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,055)**

*JULY 1 TO SEPTEMBER 30, 2001*

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

**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	1,053	100
5 years	10 years	1	<1
Lifetime	Lifetime	1	<1

**ELIMINATION PERIOD**

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
0	18	2
20	117	11
30	146	14
60	10	1
90	5	1
100	759	72

**WAIVER OF PREMIUM**

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	1,055	100
Home Care	329	31

\* Not mutually exclusive

Due to rounding, percents may not equal 100.

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

**QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,055)**

*JULY 1 TO SEPTEMBER 30, 2001*

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

**NON-FORFEITURE BENEFIT**

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	837	79
Shortened Benefit Period	216	21
Death Benefit	2	<1

**PREMIUM PAYMENT MODE**

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	131	12
Quarterly	169	16
Semi-Annual	78	7
Annual	677	64

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

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	27	68
5% Compounded	13	33

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

➤ Due to rounding, percents may not equal 100.

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

**QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,055)**

*JULY 1 To SEPTEMBER 30, 2001*

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

**MAXIMUM NURSING HOME DAILY BENEFIT**

<b>RANGE:</b>	<b>\$148-\$330</b>
<b>MEAN:</b>	<b>\$173</b>
<b>MEDIAN:</b>	<b>\$165</b>

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS (#)	(Pct.)
≤ \$148*	64	6
\$150 - \$159	412	39
\$160 - \$169	52	5
\$170 - \$179	87	8
\$180 - \$189	99	9
\$190 - \$199	25	2
\$200	255	24
\$201 - \$249	21	2
\$250+	40	4

\* New York State Partnership for Long Term Care requires a minimum Nursing Home Daily Benefit Amount of \$148 in 2001. This report also includes policies issued prior to 2001.

➤ Due to rounding, percents may not equal 100.

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

**QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,055)**

*JULY 1 TO SEPTEMBER 30, 2001*

**POLICY FEATURES**

**MAXIMUM HOME CARE DAILY BENEFIT**

**RANGE:                 \$74-\$300**  
**MEAN:                 \$100**  
**MEDIAN:               \$90**

<b>MAXIMUM DAILY BENEFIT (\$)</b>	<b>POLICYHOLDERS (#)                 (Pct.)</b>	
<b>≤ \$74*</b>	<b>56</b>	<b>5</b>
<b>\$75 - \$79</b>	<b>325</b>	<b>31</b>
<b>\$80 - \$89</b>	<b>111</b>	<b>11</b>
<b>\$90 - \$99</b>	<b>95</b>	<b>9</b>
<b>\$100 - \$124</b>	<b>275</b>	<b>26</b>
<b>\$125 - \$149</b>	<b>62</b>	<b>6</b>
<b>\$150 - \$199</b>	<b>102</b>	<b>10</b>
<b>\$200+</b>	<b>29</b>	<b>3</b>

- \* New York State Partnership for Long Term Care requires a minimum Home Care Daily Benefit Amount of \$74 in 2001. This report also includes policies issued prior to 2001.
- Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE  
QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS  
(N=1,055)**

***JULY 1 TO SEPTEMBER 30, 2001***

**AVERAGE (MEAN) POLICY PREMIUMS**

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,373	1,055	\$1,959	41	\$2,389	1,012	\$3,047	2
<40	\$723	2	-	-	\$723	2	-	-
40 - 44	\$937	8	-	-	\$937	8	-	-
45 - 49	\$999	18	-	-	\$999	18	-	-
50 - 54	\$1,248	91	\$882	4	\$1,265	87	-	-
55 - 59	\$1,343	188	\$1,377	5	\$1,342	183	-	-
60 - 64	\$1,759	279	\$1,443	13	\$1,772	265	\$2,541	1
65 - 69	\$2,378	215	\$1,849	8	\$2,393	206	\$3,643	1
70 - 74	\$3,461	136	\$2,897	8	\$3,496	128	-	-
75 - 79	\$4,874	78	\$4,802	1	\$4,875	77	-	-
80 +	\$6,445	40	\$4,172	2	\$6,565	38	-	-

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

- 1) 3 years of nursing home care (\$148 daily benefit for 2001);
- 2) 6 years of home care (\$74 daily benefit for 2001);
- 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 \$148 DBA for 2001);
- 2) 6 years of home care (minimally \$74 for 2001);
- 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.





[www.nyspltc.org](http://www.nyspltc.org)