A REPORT BY THE SUPERINTENDENT OF FINANCIAL SERVICES

TO

THE GOVERNOR AND THE LEGISLATURE

ON

THE IMPLEMENTATION OF LEGISLATION

PERMITTING APPROVAL OF

CERTAIN LONG TERM CARE HEALTH INSURANCE PLANS

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SUPERINTENDENT

DECEMBER 31, 2011

Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

To Governor Andrew M. Cuomo and the Legislature:

A report and recommendations of the Superintendent of Financial Services on the implementation of Chapter 245 of the Laws of 1986 permitting approval of certain long term care health insurance plans is herewith submitted in accordance with the provisions of such act.

Respectfully submitted,

Benjamin M. Lawsky
Superintendent of Financial Services

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EXECUTIVE SUMMARY

Purpose of this Report

The Superintendent is required to make this biennial report to the Governor and the Legislature regarding long term care insurance, including but not limited to a description of the plans authorized to issue long term care insurance, factors contributing to or impeding the development of the enrollment in such plans, the adequacy of consumer information in relation to insurance coverage for long term care services, and such recommendations as the Superintendent may deem appropriate.

General Background

The Insurance Department approved the first long term care plans in 1986. These plans were somewhat limited in amount and in the types of services covered. The number of insurers offering long term care policies continued to grow through 1990.

In 1991, the Insurance Department promulgated regulations establishing minimum standards and disclosure requirements for long term care insurance. After the promulgation of the regulation, the number of insurers in the long term care market decreased. In 1993, ten insurers were writing individual long term care policies and four insurers were writing group long term care policies in New York State. Currently, fourteen insurers write individual long term care policies and six insurers write group long term care policies in New York State. The total enrollment in long term care insurance policies has continued to increase modestly. As of December 31, 2010, there were 374,668 persons enrolled in non-Partnership policies and 69,465 persons enrolled in Partnership policies.

New York State Partnership for Long Term Care Insurance

In an effort to encourage more New Yorkers to purchase long term care insurance, New York established the New York State Partnership for Long Term Care Insurance in 1989. Under the program, New York State residents who purchase qualified long term care insurance policies will, upon exhaustion of the policy benefits, be able to protect all or part of their assets in qualifying for Medicaid assistance. We note that the New York State Partnership for Long Term Care program is different from other states' Partnership programs, established under the federal Deficit Reduction Act of 2005 (DRA). The New York program pre-dated the DRA programs by sixteen years.

State and Federal Legislation to Encourage the Development of Long Term Care Plans

In 1996, the federal government enacted the Health Insurance Portability and Accountability Act (HIPAA) which, in part, provided federal tax incentives for purchasing long term care insurance. Pursuant to the law, benefits received by a chronically ill individual under a "qualified" long term care insurance contract are excludable from income if the payments are based on actual expenses incurred. In 1997, New York State enacted legislation providing favorable state income tax treatment for those persons purchasing long term care policies that qualify for the federal income tax deduction. Also in 1997, New York State enacted legislation aimed at promoting the development of a broader and more integrated continuum of long term care, financed by a range of private, public and public/private options, including the development of continuing care retirement communities (CCRCs).

In 2000, New York State increased the tax deduction caps by allowing businesses and individuals to take a tax credit equal to 10% of their long term care insurance premiums. The tax credit was extended by the Legislature in 2002 to New York State residents covered under a federally qualified out-of-state group long term care insurance contract. In 2004, New York State's tax credit for the purchase of long term care insurance was increased from 10% to 20% of premiums.

To further encourage the purchase of long term care insurance, New York enacted the New York Public Employee and Retiree Long Term Care Insurance Plan (NYPERL), which was implemented in 2002. NYPERL offers long term care coverage to State employees, retirees and eligible family members under a group policy issued to the State of New York. The full cost of the plan, including coverage of eligible family members, is paid by the employee or insured person and can be deducted from the employee's salary. Local governments and other public and quasi-public employers may participate in NYPERL if the employer is eligible for the State's health insurance program and the governing body elects to participate.

In 2005, the Insurance Department promulgated regulations that provided for three new long term care insurance product designs for the New York State Partnership program in addition to the original product design. Two product designs provide dollar for dollar asset protection and two product designs provide total asset protection.

Legislation was enacted in 2004 requiring the New York State Insurance Department, in conjunction with the State Office for the Aging and the Department of Health, to study and develop investment product options for insurance policyholders to adequately prepare for the costs of long term care. The legislation instructed the agencies to analyze the long term care insurance market, with an emphasis on affordability, adequacy of benefits, the underwriting process, and dispute resolution. The Department's first step in completing this legislative mandate was to compile a survey of all insurers that have marketed long term care insurance in New York State. The survey was designed to obtain firm data about the development of the long term care insurance market and the current status of the market. The study, entitled "Long Term Care Insurance Options in New York State," was issued in early 2006, and is available at http://www.dfs.ny.gov/insurance/ltc/ltcrpt05.pdf. The study encouraged measures to promote the sale of long term care insurance as an alternative to Medicaid financing of long term care services.

In 2011, in an effort to add an important consumer protection, the Department promulgated the Forty-Third Amendment to Regulation 62, establishing an internal appeal process for long term care insurance. The internal appeal procedure permits the insured to request a review by the insurer of a claim denial for payment of benefits under the policy. Due to the nature of long term care insurance where the policy is purchased with the expectation that a claim will be made years in the future, this consumer protection provides the insured with a procedure to appeal a claim denial.

Factors Contributing to or Impeding the Development of Long Term Care Plans

The five key factors directly affecting the development of the enrollment in long term care insurance contracts in New York are consumer awareness, data needs and services, underwriting and policy design, the regulatory environment and marketing concerns. Progress has been made in all of these areas, which has encouraged the development of long term care insurance contracts in New York State. Nevertheless, the population uninsured for long term care both nationally and in New York remains large.

Recommendations and Anticipated Actions to be Taken by the Department of Financial Services

Long term care insurance is an alternative to Medicaid for consumers seeking to finance long term care services. Increased consumer purchase of long term care insurance can save Medicaid expenditures on those services and provide consumers with asset protection and piece of mind.

Some factors have improved the prospects for increased consumer purchase of long term care insurance. For example, insurers no longer consider long term care insurance plans to be experimental products, improving predictability and pricing. Long term care insurance has developed into a viable product, and insurers continue to offer a variety of benefit packages containing more comprehensive coverage.

To further encourage the development and purchase of such policies, the Department of Financial Services makes the following recommendations:

- An intense, concerted, long range consumer education campaign is essential to effectuating a culture change with respect to the private financing of long term care services. The Department of Financial Services, Department of Health and Office for the Aging should continue their efforts to inform the public of the limitations of existing health insurance contracts and governmental programs related to long term care services, the favorable federal and state tax treatment of premiums and benefit payments for qualified long term care insurance, and the advantages of purchasing a long term care policy qualifying under the New York State Partnership for Long Term Care Program.

- New York State should increase its efforts to educate the public that New York's tax credit for long term care premiums provides a substantial benefit to New Yorkers. Essentially, the state will support New Yorkers' efforts to plan for the future by paying 1/5 of the bill for their long term care insurance premiums. This credit is available to anyone paying premiums, including children who pay for coverage on behalf of their parents.

- The federal government should be encouraged to:

    - allow an above-the-line deduction or tax credit for long term care premiums; and

    - allow long term care insurance to qualify as part of a Cafeteria Plan under Section 125 of the Internal Revenue Code to allow before-tax deduction for premiums.

- The long term care insurance industry should be encouraged to emphasize the marketing and sale of basic long term care type coverage that would be affordable for more middle-class New Yorkers. Such basic type coverages are permissible under current New York State Department of Financial Services regulations, but are not heavily marketed by long term care insurers.

  The Department will take the following actions:

- Continue to review the minimum standards for the form, content and sale of long term care insurance and amend them as necessary to incentivize the sale of meaningful long term care insurance to as many New Yorkers as possible;

- Periodically update the Department's "A Consumer Guide to Long Term Care Insurance in New York;"

- Continue to work with the Department of Health and Office for the Aging in publicizing and answering questions from the public on the New York State Partnership for Long Term Care;

- Continue to provide information and assistance to senior citizens concerning long term care insurance and other coverage available to the elderly, such as Medicare supplement insurance; and

- Continue to provide guidance to the industry and to engage in prompt discussions between the industry and the Department with regard to the marketing of long term care insurance.

Purpose of Report

Chapter 245 of the Laws of 1986 added a Section 1117 to the New York Insurance Law to permit certain insurers authorized by the Superintendent to issue contracts providing benefits for long term care. This legislation, provided, in part, that, "on or before January first, nineteen hundred eighty-eight, and biannually thereafter, the superintendent of insurance shall report to the governor and the legislature on the implementation of this act, including but not limited to a description of the plans authorized pursuant to this act, factors contributing to or impeding the development of the enrollment in such plans, the adequacy of consumer information in relation to insurance coverage for long term care services, and such recommendations as the superintendent may deem appropriate."

Objective of the Legislation Permitting Approval of Certain Long Term Care Health Plans

The objective of the legislation was to help solve the problem of financing long term care by encouraging the development of and enrollment in various plans of insurance coverage for services provided in residential health care facilities and community based settings. The legislative intent specifically stated that private health insurance for long term care services is generally unavailable to the citizens of this state.

General Background

Long term care insurance plans were first approved by the Insurance Department during 1986 and 1987. These plans provided benefits that were somewhat limited in amount and in the type of services covered. Only a few insurers showed initial interest in writing long term care insurance. In order to encourage more insurers to offer such plans, the Insurance Department did not, at that time, establish minimum standards, but approved the plans under Section 1117 of the Insurance Law, which allowed flexibility in approving innovative products.

In 1991, following a public hearing, the Department promulgated the Sixteenth Amendment to Regulation 62 (11 NYCRR Part 52), which established minimum standards and set forth disclosure requirements for long term care insurance. The standards and requirements were necessary to assure a reasonable level of coverage with sufficient disclosure of coverage to insureds. The regulations took effect on January 1, 1992.

In establishing the minimum standards, the Department recognized that long term care insurance should provide a comprehensive range of benefits. The Department was aware that such a benefit package could price many people out of the long term care insurance market. The Department was also mindful that consumers have differing needs and desires concerning coverage of long term care services. Therefore, in order to allow insurers some flexibility in designing benefit packages to meet the varying needs of the public, and to provide meaningful coverage that is affordable to the greatest number of consumers, the Department established four categories of insurance policies providing long term care type benefits:

1. Long Term Care Insurance must provide at least 24 months of coverage which meets one of the following options:

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

   - Coverage of all levels of care in a nursing home and coverage of home care, both at no less than 60% of the reasonable charge.

   - Coverage of all levels of care in a participating nursing home (one which has contracted with an insurer to provide services to their policyholders) at no less than 75% of the negotiated rate. For non-participating nursing homes, payment must be no less than 50% of the reasonable charge or $55 per day, whichever is less. Coverage of home care by a participating home care provider at no less than 75% of the negotiated rate. For non-participating home care providers, payment must be no less than 50% of the reasonable charge or $30 per day, whichever is less.

2. Nursing Home and Home Care Insurance must provide at least 12 months of coverage for custodial care services of at least $50 a day while confined in a nursing home and coverage for custodial care services in a private home of at least $25 per day.

3. Nursing Home Insurance Only must provide at least 12 months of coverage for custodial care services of at least $50 per day in a nursing home.

4. Home Care Insurance Only must provide at least 12 months of coverage for custodial care services of at least $25 per day in a private home.

The Department evaluated other specified benefits but decided against mandating their inclusion in policies. Instead, in order to keep policies affordable, to allow flexibility for insurers in designing products, and to allow consumers to purchase only the coverage they need, the Department merely required that they be offered. The benefits which must be offered include:

- An inflation protection benefit, which must be offered with all types of policies. The insurer must offer either increased benefit levels of five percent or in proportion to the increase in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, compounded annually. The insurer may also guarantee to the insured individual the right to periodically increase benefit levels without providing evidence of insurability or health status so long as the option has not been declined for three consecutive times.

- A nonforfeiture benefit, which must be offered with long term care insurance policies. The insurer must offer reduced paid-up insurance, whereby the insured still retains a long term care insurance policy, with the benefits reduced by a percentage stated in the policy or certificate.

After the promulgation of the Sixteenth Amendment to Regulation 62, the number of insurers in the New York long term care market temporarily decreased, but has since increased. In December 1987, eight insurers offered long term care insurance policies in New York, and by 1991, fifteen carriers had approved individual policies and fourteen insurers had approved group policies for sale in New York. In 1993, one year after promulgation of the regulation, ten insurers were writing individual and four insurers were writing group long term care policies in New York. At the end of 1994, fifteen insurers were writing individual and eight insurers were writing group long term care insurance in New York State. Currently, fourteen insurers write individual and six insurers write group long term care insurance in New York State. (See page 12 for current information.)

The Department continually reviews the regulatory provisions relating to long term care insurance to ensure that the provisions balance insurers' need for flexibility in product design and development with adequate consumer protections. To further protect consumers, the Insurance Department promulgated the Forty-Third Amendment to Regulation 62 on March 30, 2011. This amendment established an internal appeal process. The internal appeal procedure permits the insured to request a review by the insurer of a claim denial for payment of benefits under the policy. The review must be performed by an individual at the insurer not involved in the initial claim determination. The amendment establishes time frames for the insured to file an appeal and for the insurer to issue a determination. This amendment codified a "best practice" found in many recently developed long term care insurance policies.

The New York State Partnership for Long Term Care Insurance

In an effort to encourage more New Yorkers to purchase long term care insurance, New York established the New York State Partnership for Long Term Care Program ("Partnership Program"). Due to many federal regulatory hurdles that had to be overcome, the actual implementation of the Partnership Program did not begin until 1993. The Partnership Program originally provided that New York State residents who purchased a qualified policy or certificate providing long term care insurance would, once the benefits from the policy or certificate were exhausted, become eligible for Medicaid assistance without spending down their assets. Income, however, would still be contributed toward the cost of care, in accordance with regular Medicaid rules.

Under the original Partnership Program, the Insurance Department promulgated Regulation 144 (11 NYCRR Part 39), which established minimum standards for a qualified policy or certificate under the program. The regulations required that the following benefits be provided:

- Coverage of all levels of care in a nursing home of at least $100 per day for 1993, and increasing by 5%, compounded annually. For 2011, the minimum daily amount for care in a nursing home is $241.

- Home care coverage must be provided in an amount that is 50% of the minimum required nursing home care benefit. Home care benefits are payable when services are provided in the insured's home, in a group setting such as an adult day care center, or where human assistance is needed to aid the insured in necessary travel, such as to a physician's office. The home care benefit must cover skilled nursing care, home health care, personal care, adult day care and assisted living care.

- Respite care must be provided for at least 14 days annually and must be payable at the nursing home daily benefit amount.

- Alternate care benefits must be covered when the insured is in a hospital awaiting the availability of nursing home or home care services. Benefit payments must be in the amount of the nursing home daily benefit.

- Inflation protection must be included so that benefits increase by at least 5%, compounded annually, for life. Inflation protection benefits are not mandatory if the policy is purchased at age 80 or over.

- Waiting periods of more than 100 days are not permitted.

The minimum standards and benefit levels under the Partnership Program are more stringent than the minimum standards for non-Partnership policies, in order to protect the viability of the New York State Medicaid Program, which is legally bound to provide benefits on a special eligibility basis after the benefits of the qualified long term care policy or certificate are exhausted.

The Department promulgated the Second Amendment to Regulation 144 amending the minimum standard regulations in 2005 in response to a desire by long term care insurers participating in the Partnership Program to expand the products available under the Partnership to include other product designs. The regulation amendment, which allows for products with less comprehensive benefits, was promulgated after discussions with the Department of Health, the Office of Medicaid Management, the State Office for the Aging and representatives of insurers participating in the Partnership. The long term care policies which are now approved under the Partnership Program may have maximum policy benefits which are expressed either in the number of days or years of nursing home and home care benefits, or can be expressed as an overall dollar amount which is determined by multiplying the daily benefit amount chosen by the number of days benefits are to be provided.

The amended regulations required that, in order for them to be approved under the Partnership Program, long term care insurance policies must contain one of the following benefits:

- A lifetime maximum nursing home benefit of at least 1½ or 3 years providing coverage of all levels of care in a nursing home of at least $241 per day for 2011, and increasing by 5% compounded annually (known as the 1.5/3/50 and 3/6/50 plans respectively). If the policy is purchased at age 80 or older, the 5% compound annual increase is optional. The insured must be allowed to substitute home care benefits on the basis of two home care days for one nursing home day.

  Home care coverage must be provided in an amount that is 50% of the minimum required nursing home care benefit ($121 per day in 2011) and is payable when services are provided in the insured's home, in a group setting such as an adult day care center, or where human assistance is needed to aid the insured in necessary travel, such as to a physician's office. The home care benefit must cover skilled nursing care, home health care, personal care and assisted living care.

- A lifetime maximum of either 2 or 4 years, which can be expressed as an overall dollar amount by multiplying the daily benefit amount ($241 for 2011) times the total number of days (either 730 or 1,460 days) of benefits (known as the 2/2/100 and 4/4/100 plans respectively).

  The nursing home and home care daily benefit amounts must be at least $241 for 2011 and increasing by 5% compounded annually. If the policy is purchased at age 80 or older, the 5% compound annual increase is optional. The nursing home benefit must provide coverage of all levels of care in a nursing home. Coverage in an assisted living facility includes nursing care, maintenance or personal care, therapy services and room and board accommodations. The home care daily benefit amount is the same as the nursing home benefit rather than 50% of the nursing home benefit as described in the first option above. The home care benefit must provide coverage for services provided in the insured's home, in a group setting such as an adult day care center, or where human assistance is needed to aid the insured in necessary travel, such as to a physician's office. The home care benefit must cover skilled nursing care, home health care, personal care and assisted living care.

All of these policies must also provide bed reservation benefits, respite care, hospice care, care management and alternate care. Waiting periods for the 1½ or 2 year plan cannot exceed 60 days, and waiting periods for the 3 or 4 year plans cannot exceed 100 days. Certain other optional benefits are available depending on the plan chosen.

Total asset protection is only available with Partnership policies providing 3 or 4 years of benefits. Upon exhaustion of the benefits in the 3 or 4 year plan designs, the insured is able to apply for Medicaid and protect all of their assets. Partnership policies that provide 1½ or 2 years of nursing home benefits provide dollar for dollar asset protection which means that for every dollar of benefits covered under those policies, a dollar of assets will be protected. For all Partnership plan designs, income must be contributed toward the cost of long term care services in accordance with Medicaid rules.

The 1½, 2 and 4 year plans must all be written to qualify for favorable federal and New York State income tax treatment (see discussion of tax qualified plans in section titled "State and Federal Legislation to Encourage the Development of Long Term Care Plans," below.) The 3 year plan can be written as qualifying for favorable federal and New York State income tax treatment, or it can be written as non-tax qualified (3 year plans issued before January 1, 1997 were issued before tax qualification standards existed, and thus they may be considered tax qualified if federal requirements are met). Currently, 84% of the total market for long term care insurance is non-Partnership policies and 16% is Partnership policies.

The Department of Financial Services is working closely with the Department of Health, State Office for the Aging and participating insurers to develop a Third Amendment to Regulation 144, which will reflect proposals recommended by Governor Cuomo's Medicaid Redesign Team. Established by Executive Order Number 5 (2011), the Medicaid Redesign Team was created to make recommendations to the Governor in order to update the Medicaid program with cost savings while improving program quality. The Team recognized that encouraging the purchase of long term care insurance enables consumers to fund their own long term care needs instead of relying upon Medicaid, thus saving Medicaid expenditures. The Third Amendment will amend the inflation protection benefit for all plan designs and add a new total asset plan design that provides two years of nursing home care and four years of home and community-based care at 50% of the nursing home care rate. The Third Amendment will also add consumer disclosures relating to reciprocity, where a Partnership insured may access Medicaid Extended Coverage in another state. This amendment should be promulgated by early 2012.

State and Federal Legislation to Encourage the Development of Long Term Care Plans

<u>Tax Incentives</u>

In 1996, the federal government enacted the Health Insurance Portability and Accountability Act (HIPAA) which, in part, provided federal tax incentives for purchasing long term care insurance. Pursuant to the law, benefits received by a chronically ill individual under a "qualified" long term care insurance contract are excludable from income if the payments are based on actual expenses incurred.

Generally, for 2011, benefits received under "qualified" policies that pay on an indemnity basis are excludable from income as long as the benefit payments do not exceed $300 per day and are not in excess of the actual expenses. These caps will be indexed for inflation. Payments in excess of the cap are excludable from income only to the extent of actual costs incurred for long term care services. Amounts received in excess of the dollar cap for which no actual costs were incurred for long term care services are fully includable in income.

Taxpayers who itemize should be aware that, under HIPPA, premiums for "qualified" long term care insurance contracts up to the following specified dollar limits are treated as medical expenses for purposes of itemized deductions (medical expenses must be more than 7.5% of adjusted gross income to qualify for the deduction). The amounts below are the maximum amounts deductible in 2011.

In the case of an individual with an attained age before the close of the taxable year of:	The annual limitation is:
40 or less	$340
41 to 50	$640
51 to 60	$1,270
61 to 70	$3,390
71 & Over	$4,240

Under HIPAA, in order for a long term care insurance contract to qualify for the favorable tax treatment, it must:

- Provide only coverage of qualified long term care services;
- Generally not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer, or where the contract makes per diem or other periodic payments without regard to expenses subject to federal interpretation of special rules in HIPAA;
- Be guaranteed renewable;
- Provide that refunds (other than refunds on the death of the insured or complete surrender or cancellation of the contract) and dividends under the contract must be used only to reduce future premiums or increase future benefits and;
- Not provide for a cash surrender value or other money that can be paid, assigned, pledged or borrowed.

HIPAA also provides that any contract issued before January 1, 1997, which met the long term care insurance requirements of the state in which the contract was located at the time it was issued, will be treated as a "qualified" long term care insurance contract for federal tax purposes, and services provided under the contract will be treated as qualified long term care services. The "grandfather" status for contracts issued before January 1, 1997 will continue so long as there is no "material change" in the contract on or after January 1, 1997 within the meaning of federal law.

New York also encouraged the purchase of long term care insurance in 1997 by enacting legislation that provided favorable state income tax treatment for those persons purchasing long term care policies that qualify for the federal income tax deduction. Under the state law, premiums paid for "qualified" long term care policies were deductible to the same extent as under the federal law. The deduction in New York State was taken from federal adjusted gross income. This deduction, therefore, was available even to those taxpayers who did not itemize their deductions. Benefits received under federally "qualified" long term care policies were excluded from income on the same basis as under the federal law.

In 2000, New York repealed this tax deduction for long term care premiums and instead provided for a tax credit equal to 10% of long term care insurance premiums for taxable years beginning January 1, 2002. Also, in 2002, New York amended the Tax and Insurance Laws to permit New York State residents covered under a federally qualified out-of-state group long term care insurance contract to deduct or receive a tax credit equal to 10% of the premium paid on their state income tax returns. Prior to this legislation in order to deduct or receive the tax credit, the New York State resident's premium payment had to be for the purchase of a long term care insurance policy approved by the Superintendent of Insurance in New York State. In 2004, additional legislation was passed increasing the tax credit for long term care insurance premiums from 10% to 20% for taxable years beginning in 2004.

Continuing Care Retirement Communities (CCRCs)

In an effort to promote the development of a broader and more integrated continuum of long term care, financed by a range of private, public and public/private options, New York enacted laws in 1997 that redefined life care communities as a type of continuing care retirement community (CCRC). This law allowed CCRCs to provide less than a lifetime guarantee for nursing facility care as part of their contract. In addition to establishing a process for approval of CCRCs, the law also:

- Streamlined the approval process for residential health care facility beds and licensed home care service agencies operated as part of a CCRC;

- Established a comprehensive and flexible statutory and regulatory framework for an increased number of demonstration programs providing managed care for the elderly and chronically ill population who would not otherwise be served in a special needs plan or other managed care program;

- Made the long term care security demonstration program (the Partnership Program) permanent; and

- Permitted accelerated payment of death benefits under a life insurance policy when the insured is chronically ill and requires long term care services for the duration of his or her life.

CCRCs in New York State offer three different types of life care contracts for their residents. Type A is all-inclusive, Type B provides modified services, and Type C requires fee for service:

- 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 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.

- Type C contracts cover housing, residential services and amenities under the entrance fee and/or monthly fee in the same way as Type A and B contracts. This contract differs from the other two types of contracts in that all other health related services, including nursing home care, are paid for by the resident as they are needed on a fee for service basis. Under this type of agreement, the resident pays lower fees upon entry, but in turn accepts the risk of paying for the care needed.

Chapter 523 of the Laws of 2011, signed into law on September 23, 2011, amended Article 46 of the Public Health Law to allow CCRCs authorized under Article 46 the flexibility to begin offering Type C contracts. This enhanced flexibility gives consumers more options and should increase Article 46 CCRC occupancy rates. Previously CCRCs authorized under Article 46 could offer Type A and Type B contracts but were not allowed to offer a Type C contract option. Type C contracts were only available from CCRCs organized under Article 46-A of the Public Health Law.

Currently, eleven CCRCs have received a Certificate of Authority from the Commissioner of Health and are open and currently accepting residents under Article 46 of the Public Health Law. They are:

Name	**County**	**Living Facilities**
The Amsterdam at Harborside 300 East Overlook Port Washington, NY 11050 800-365-0665 www.theamsterdamatharborside.com	Nassau	Independent living units, enriched housing units, nursing home beds
Canterbury Woods 705 Renaissance Dr. Williamsville, New York 14221-8080 716-929-5817 www.canterburywoods.org	Erie	Independent living units, enriched housing units, nursing home beds

Fox Run at Orchard Park One Fox Run Lane Orchard Park, NY 14127 716-662-5001 www.foxrunorchardpark.com	Erie	Independent living units, enhanced housing units, nursing home beds
Glen Arden, Inc. 214 Harriman Drive Goshen, NY 10924 800-914-4051 www.elant.org	Orange	Independent living units, enriched housing units, nursing home beds
Jefferson's Ferry 1 Jefferson Ferry Drive S. Setauket, NY 11720-9800 888-233-1330 www.jeffersonsferry.org	Suffolk	Independent living units, enriched housing units, nursing home beds
Kendal on Hudson One Kendal Way Sleepy Hollow, NY 10591 800-517-8964 www.kohud.kendal.org	Westchester	Independent living units, enhanced housing units, nursing home beds
Kendal at Ithaca 2230 N. Triphammer Road Ithaca, NY 14850 800-253-6325 www.kai.kendal.org	Tompkins	Independent living units, enriched housing units, nursing home beds
Peconic Landing at Southold, Inc. 1500 Brecknock Road Greenport, NY 11944 888-273-2664 www.peconiclanding.org	Suffolk	Independent living units, enriched housing units, nursing home beds
Summit at Brighton 2000 Summit Circle Drive Rochester, NY 14618 585-341-2306 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
Woodland Pond at New Paltz 100 Woodland Pond Circle New Paltz, NY 12561 877-505-9800 www.hahv.org/woodlandpond	Ulster	Independent living units, enriched housing units, nursing home beds

Accelerated Death Benefits and Combination Life/LTC and Annuity/LTC Products

In 2005, the Department promulgated an amendment to Regulation 143 that allows insurers to offer consumers the option of accelerating the death benefit under their life insurance policy when the insured is chronically ill and may need additional financial resources to assist with meeting long term care needs and expenses. Access to existing resources such as the death benefit of a life insurance policy and the ability for insurers to provide for alternate ways to meet consumer's increasing long term care needs have become critical. The standards set forth by the regulation provide proper disclosure to consumers and ensure the favorable federal tax treatment for payment of the benefits. A few insurers have also explored whether to add a long term care rider to pay additional long term care benefits after the accelerated death benefit rider has been exhausted. These combination products provide more long term care benefits after the death benefit of the life insurance policy is exhausted. To date, two insurers have received approval for a joint life insurance policy with an accelerated death benefit rider and additional long term care insurance rider.

Additionally, under the Pension Protection Act of 2006, the same favorable federal tax treatment granted to stand-alone long term care insurance was extended to combination annuity and long term care insurance products. The Department received a few inquiries from insurers expressing interest in offering a combination annuity/long term care insurance product. To date, the Department has approved one combination annuity/long term care insurance product in 2011.

New York Public Employee and Retiree Long Term Care Insurance Plan (NYPERL)

In 1998, New York established the New York Public Employee and Retiree Long Term Care Insurance Plan (NYPERL). NYPERL offers two tax-qualified benefit designs: the New York State Partnership option, which after the exhaustion of a three year nursing home benefit provides for coverage of long term care expenses under the State's Medicaid program, and a non-Partnership option which provides benefits based upon a three year or five year benefit period that is selected by the insured at the time of application. NYPERL is a group long term care insurance policy administered by the NYS Department of Civil Service with coverage provided by MedAmerica Insurance Company of New York.

Participation in the plan is at the option of the employee. All State employees and retirees who are eligible or become eligible for participation in the New York State Health Insurance Plan are also eligible to participate in NYPERL. Local governments and other public and quasi-public employers may participate in NYPERL if the employer is eligible for the State's health insurance program and the governing body elects to participate. Coverage remains in effect for employees who terminate employment while participating in the plan as long as they continue paying premiums. The full cost of the plan, including coverage of eligible family members, is paid by the employee or insured person and can be deducted from the employee's salary. Employees who terminate employment while participating in the plan will have the option to continue the coverage or convert it to an individual policy. As of December 31, 2010, NYPERL had 4,469 enrollees, of which 3,264 selected the non-Partnership policy and 1,205 selected the Partnership policy. The Insurance Department approved the forms and rates used by

MedAmerica Insurance Company of New York for NYPERL.

Long Term Care Study

In 2004, the Legislature required the Department, in conjunction with the State Office for the Aging and the Department of Health, to study and develop investment product options for insurance policyholders to adequately prepare for the costs of long term care. The legislation instructed the agencies to analyze the long term care insurance market, with an emphasis on issues including, but not limited to: affordability, adequacy of benefits, the underwriting process, and dispute resolution.

The Department's first step in completing this legislative mandate was to compile a survey instrument which was sent to all insurers who have marketed long term care insurance in New York State. The questions in the survey were designed to obtain firm data about the development of the long term care insurance market and the current status of the market. Work on this study began upon its commission in the fall of 2004 and was completed in the fall of 2005. The study, entitled "Long Term Care Insurance Options in New York State," was issued in early 2006, and is available at http://www.dfs.ny.gov/insurance/ltc/ltcrpt05.pdf.

Listings of Authorized Long Term Care Insurers

Long term care insurance plans are no longer considered to be experimental products and have developed into a viable product. Insurers continue to offer a variety of benefit packages containing more comprehensive coverage. Insurers also continue to make innovations to product designs to offer a broader range of coverage.

The insurers, along with the products they are currently selling in New York, are as follows:

Insurer	**Individual**						**Group**		
	TQ	LTC	NHO	NH & HC	HCO	P	NP	P	TQ
Bankers Conseco Life Ins. Co.	X	X		X	X				
Berkshire Life Ins. Co.	X	X							
Continental Casualty Company							X		X
First Unum Life Ins. Co.	X		X	X			X		X
Genworth Life Ins. Co. of NY	X	X		X		X	X		X
John Hancock Life & Health Ins.	X	X	X			X	X		X
Knights of Columbus	X		X		X				
Massachusetts Mutual Life Ins. Co.	X	X		X		X			
MedAmerica Ins. Co. of New York	X	X	X		X	X	X	X	X
Mutual of Omaha Ins. Co.	X	X	X						
New York Life Ins. Co.	X	X	X			X			
Northwestern Long Term Care Ins.	X	X							
The Prudential Ins. Co. of America	X	X					X		X
State Farm Mutual Automobile Ins.	X	X							
Transamerica Financial Life	X	X							

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 are not obligated to inform the Department when they stop selling an approved product. Therefore, the types of policies listed above may not all be available for marketing at the present time. Also, those insurers who market tax qualified policies may also market non-tax qualified policies. This information can be obtained by contacting the insurer.

In 2001, twenty-eight insurers were marketing policies covering long term care services in New York. Currently, fifteen insurers are marketing policies in New York. It is important to note that while the number of insurers is down since 2001, the number of enrollees has modestly increased. It is also important to note that the decrease in the number of insurers is not unique to New York State and, in fact, is occurring nationwide. For example, Metropolitan Life Insurance Company ceased offering long term care insurance nationwide in 2011. Reasons for the general decrease in the number of insurers marketing long term care coverage include the unprecedented number of acquisitions and mergers in the insurance industry, insurers' realization of their long term liability on current long term care sales and their decision to avoid further exposure, and the "labor-intensive" nature of long term care sales.

Factors Contributing to or Impeding the Development Of Long Term Care Plans

In addition to the factors contributing to the decrease in the number of insurers offering long term care insurance coverage, earlier reports discussed five key issues that directly affect the development of, and enrollment in, long term care insurance contracts in New York:

- Consumer Awareness
- Data Needs and Services
- Underwriting and Policy Design
- Regulatory Environment
- Marketing Concerns

<u>Consumer Awareness</u>

Long term care insurers continue to report consumers' lack of awareness of the need for long term care insurance and the misperception that medical insurance, Medicare and Medicaid will cover these services. Another problem mentioned by insurers in the successful marketing of long term care insurance is that long term care is a subject that makes many people uncomfortable. People often refuse to believe they will need long term care and therefore refuse to plan for future long term care expenses. Educational efforts appear to be lessening this perception and a number of initiatives have been undertaken to increase consumer awareness and knowledge about long term care coverage.

- *Agent/Broker Training*

The New York State Partnership for Long Term Care Program takes a novel approach to educating agents and brokers on the Partnership program to improve marketing and to disseminate information on the Partnership Program. The Partnership Program conducts a mandatory training program for any agent or broker who wishes to become certified to sell a Partnership policy. This training program focuses primarily on the Medicaid program and its relationship to a Partnership policy and offers credits that may be applied to the continuing education credit requirements associated with agent licensure by the Department of Financial Services. The extent to which the insurer representatives are better educated concerning the Partnership program should stimulate more Partnership sales to persons who consider the purchase of a Partnership product. The Partnership Program also developed a refresher course for agents and brokers who have already completed the mandatory training to enhance their knowledge of the Partnership products.

Various other vendors have received approval from the Department of Financial Services to conduct continuing education courses on long term care insurance. It is hoped that as agents and brokers become more knowledgeable about the long term care insurance products they will feel more confident in offering them.

- *Consumer Awareness Campaigns/Seminars*

Consumer campaigns and seminars have also been used to raise awareness of the need to plan for long term care. Several insurers indicated that they participate in the "Own Your Future" campaign started by the U.S. Department of Health and Human Services in January 2005 to increase consumer awareness and planning for long term care. A few insurers also stated that they participate in Long Term Care Awareness Month (November). Other insurers highlighted their consumer seminars that agents, brokers and financial representatives host as a way of educating the public for the need for planning for long term care and long term care insurance. A few of the insurers stressed that their informational seminars are the main marketing tool available to agents or brokers and are an efficient way to educate the public on the benefits of long term care insurance. Other insurers utilize their websites to provide consumer education material directly to the public. Prudential Insurance Company of America uses a tool on their website entitled "Long-Term Care Learning Center," to educate consumers about the costs, myths, planning, and funding alternatives for long term care. Genworth Life Insurance Company of New York launched a "Let's Talk" platform in June 2009 with content and materials designed to help consumers have more productive conversations with family members and loved ones about the difficult topic of needing long term care. This program also included material and video available on Genworth's website and on YouTube.

New York State also undertook its own statewide media campaign in 2008, using "Plan Ahead NY," to promote the purchase of long term care insurance, including the Partnership for Long Term Care products, by New York residents ages 40 to 65. The media campaign ran from February through April 2008 and included television, radio and magazine ads and an insert mailed with New York Department of Motor Vehicles' registration renewals. A few insurers noted the success of this campaign in generating interest in long term care insurance, especially Partnership long term care insurance.

- *Consumer Brochures/Materials*

Currently, a great deal of information is available to consumers on long term care insurance plans. The Department's website offers information on long term care insurance, including a sample premium rate calculator with Partnership and non-Partnership options. The Department also annually updates the consumer guide entitled, "A Consumer's Guide to Long Term Care Insurance," which among other things provides information on benefits and features currently available in the New York market, and on selecting an insurance company. The New York State Partnership for Long Term Care publishes a "Consumer Booklet – Affordable Financing for Long-Term Care." The Partnership booklet provides information on planning for long term care expenses, the New York State Partnership for Long Term Care, how to choose a long term care policy, and a worksheet for comparing long term care policies. The Partnership also issues a consumer brochure entitled "Medicaid Eligibility and the Treatment of Income and Assets under the New York State Partnership for Long Term Care." These publications are available from the New York State Department of Health.

Publications are also issued by entities other than state government that highlight the differences between Medicare, Medicaid and long term care insurance. A publication developed jointly by the National Association of Insurance Commissioners (NAIC) and the Centers for Medicare and Medicaid of the U.S. Department of Health and Human Services entitled, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare," contains information indicating that Medigap policies do not cover long term care. The NAIC also has available "A Shopper's Guide to Long-Term Care Insurance" which provides advice on whether or not you should buy long term care insurance, worksheets to assist consumers in obtaining information on the availability and cost of long term care services, how to compare long term care insurance policies, and facts consumers should have available concerning any long term care policy they purchase. These guides are updated annually.

Besides traditional brochures, insurers have also developed videos to educate consumers on the need for long term care insurance. John Hancock sponsored an educational video created by Kiplinger's entitled "Who Cares? Kiplinger's No-Nonsense Look at Long-Term Care and How to Pay for It." The video assists the viewers in determining how to meet the financial challenges of long term care, and was used by John Hancock's producers and is posted on its website to assist group clients.

Genworth has published a report in November 2010 to coincide with Long Term Care Awareness month entitled "Our Family, Our Future: The Heart of Long Term Care Planning." This report focused on data surrounding the current lack of long term care planning and consumers' acknowledged reticence to initiate planning conversations.

- *Consumer Awareness of Tax Benefits of Long Term Care Insurance*

Insurers also indicated that publicity generated by the enactment of federal and state laws providing for favorable tax treatment for qualified long term care policies has helped focus the public's attention on long term care issues. Insurers in general felt that the favorable tax treatment sends a positive message to consumers, but some disagreed on the impact the tax deductions have had on sales. Most insurers stated that the federal tax incentives are so limited that they have had no effect on sales. A few insurers indicated that they focus their marketing efforts surrounding federal tax deductions to small business owners since the benefits for them are more significant, and have indicated a small amount of success in this effort.

For individuals, the federal deduction allows long term care insurance premiums to be deducted if the insured's medical expenses exceed 7.5% of the adjusted gross income. This deduction impacts less than 4% of people who have purchased long term care insurance. If a "top line" deduction were allowed, it would provide an incentive for many more people to purchase LTC coverage. Insurers agreed that pre-tax deductibility for long term care premiums and the inclusion of group long term care insurance in Cafeteria Plans (Section 125 of the Internal Revenue Code) would have a major impact on encouraging sales of long term care insurance.

Most insurers also indicated that the New York State tax credit is an important incentive. Some companies use the tax incentives in their marketing materials, with brochures highlighting the New York State tax credit and favorable federal tax treatment. Several insurers stated that they educate their agents on the New York State tax credit, who in turn provide the information to consumers during marketing or sale. However, several insurers also agreed that the New York State tax credit, while providing a positive message on purchasing long term care, has had little impact on their sales because they were unable to isolate the effectiveness of such incentives on sales. Overall, insurers indicated that the New York income tax credit is a useful tool during the marketing of long term care insurance.

- *Marketing in New York Compared to Other States*

While confusion over the need for long term care insurance is still a problem nationwide, some insurers reported that New York State consumers are more informed about the need for such coverage than consumers in other states. Insurers were asked to compare their sales in New York State with their marketing success in other states. Their responses follow:

Insurer	**Response**
Berkshire	Success in any one state is based more on distribution capability in that state than any other factors.
Bankers Conseco Life	New York is still a new market for the career agents of Bankers Conseco Life Insurance Company. We anticipate an increased response rate to our direct mail campaign and an overall increased interest in our local branch advertising campaign, which is similar to our marketing strategy throughout the country.
Continental Casualty	We market in all states, and consider New York one of the more successful states for our business. Within our book of business, New York ranks third in number of group contracts in force and sixth in number of certificates in force and fifth in total premium. Based simply on its size, we would expect New York to be a very large market for our product. However, the number of large businesses located in New York, as well as the high average premium sold there, makes it more successful than expected.

Insurer	Response
First Unum Life Insurance Company	Due to the size of the population, New York represents a significant LTC market for Unum. However, to date Unum has not achieved the level of sales results desired in this market. We believe the primary contributing factor is the lack of communication by brokers to employers and individuals. Some of this is due to the lack of broker receptivity to marketing LTC and confusion around the long term care product in general. New York has a requirement that no other states have, and that is to distinguish between Long Term Care or Nursing Home and Home Care. The amount of coverage elected determines the product name that must be used. This can cause confusion for the consumer as well as requiring multiple sets of marketing materials that must be presented by an insurance carrier. Unum has had much more success on the west coast with regard to marketing long term care than in any other region of the country. One of the key reasons for success is the focused attention by brokers on the marketing efforts. Many brokers specialize in the long term care product allowing for the focus that is necessary to be successful.
Genworth Life Insurance Company of New York	New York continues to be one of our leading states in terms of sales, which we attribute to the promotion of the state Partnership program. However, consumer response to our marketing efforts in New York is not quite as strong as in other states and is slightly below average nationally.
John Hancock	Individual: Our figures show that New York was the second highest producing state for John Hancock individual policy sales in 2009 and in 2010. As of year to date 2011, New York is the sixth highest producing state. It is perceived that New Yorkers have a higher level of awareness of the need for this type of insurance than many other parts of the United States. A key difference in the success of marketing in New York is the relatively concentrated number of producers doing business in that state compared to others. We also believe the promotional efforts of the New York Partnership Program and the promotion of the Plan Ahead NY campaign by the governor through media campaigns and mailings in 2008 contributed to the awareness of why long-term care insurance may be worth considering, and this has also helped non-Partnership sales. Group: Enrollment success in the group market is largely dependent upon the type of employer, the employee culture/work environment, the level of support and endorsement of the plan and employee demographics (e.g., average age and salary). However, a recent study of several carriers enrollment results by region, showed the Northeast with the lowest enrollments overall. One reason for this may be from a higher average salary range in the Northeast where perhaps consumers may feel they can self-insure in the event of a LTC situation. John Hancock’s group client list includes 102 New York-based clients; in general, there are no differences in marketing techniques between one state and another.
Mass Mutual	Our product is marketed in all jurisdictions including Puerto Rico. We deem our marketing efforts to be successful in New York in part due to (1) the density of our target market population, (2) the presence of multiple MassMutual agencies, (3) the higher number of producers concentrated in that geographic area, and (4) the NYS tax credit.
MetLife	Our experience shows participation rates in New York are comparable to those in other areas of the country.

Insurer	Response
Mutual of Omaha	Marketing results vary by the degree of emphasis placed on the long term care products in the various offices – no real differences noticed by state.
New York Life	With our headquarters based in New York State and the New York name in our name, we enjoy great brand recognition in New York.
Northwestern Long Term Care	There are a number of issues that have limited our marketing efforts in the state. The biggest issue is probably the high cost of care throughout the state of New York. This has led to our average policy size and cost to be much higher in New York than in the nation overall. These higher results could put more pressure on middle-class purchasers who are not able to buy a product that provides all the benefits they desire. There is anecdotal evidence that suggests that these individuals are seeking out lower premium plans from companies that offer lower rates in exchange for the high financial ratings that are part of the Northwestern value proposition. The challenges indicated have led us to sell a relatively low number of policies compared to the population of the state, i.e. our penetration rate in New York is lower than our national average. Although the relatively large policy size puts New York in our top states in terms of premiums sold, we hope to improve our penetration rate for long-term care sales in coming years.
Prudential	We believe our marketing success in New York to be on par with our success in other states. Prudential's premiums for individual LTC insurance in New York are generally lower than our most common national premiums. As of 12/31/10 in force policy count that combines group and individual policies/certificates shows New York as being Prudential's most prolific state, followed by Ohio, New Jersey, California and Illinois.
State Farm	Success is relatively similar to others states.

While it appears that more needs to be done in educating the public on long term care issues, it is evident that government and long term care insurers have continued their efforts and made progress in this area.

Data Needs and Services

Since long term care policies have been sold for about twenty years in New York State, the need for data has become less critical. Experience data is now credible and extensive. As insurers have been able to obtain more data, they have revised their long term care policies to make the benefits more comprehensive and offer a greater number of optional benefits to policyholders.

Most, if not all, insurers are now offering paid-up policies, which can allow an insured to complete his or her premium payment obligations in a specific amount of time, as compared to a long term care insurance policy that is payable for life. The premiums for these policies are higher than for a long term care policy that is payable for life. Many insurers offer a ten or twenty year payment period or payments up to age 65.

All Northwestern Long Term Care Insurance Company policies are now participating policies and provide the flexibility to pay dividends in the form of premium reductions if experience proves to be more favorable than pricing expectations.

Underwriting and Policy Design

The necessity of adequate underwriting controls in the writing of long term care policies remains a major concern. Individual long term care policies are medically underwritten through the use of medical questionnaires or assessments at the time of application. For group long term care policies that are offered to employees as well as parents, grandparents and retirees, many insurers conduct minimal underwriting for active employees, with more detailed underwriting for others. Some insurers will accept newly hired employees without evidence of insurability provided that they are actively at work on their effective date and they enroll within ninety days of hire. As mentioned earlier, under NYPERL, the long term care plan for New York State employees and their families, long term care coverage was offered under a 60-day open enrollment period without proof of medical eligibility for employees.

Most insurers do not impose pre-existing condition limitations in long term care policies, although some do impose such limitations for conditions not disclosed on the application. The most common provisions used in determining eligibility for benefits in long term care policies which are not tax qualified, are medical necessity, the inability to perform a specified number of activities of daily living or a cognitive impairment. For tax-qualified policies insurers must adhere to the requirements under HIPAA for benefit eligibility triggers that the individual is chronically ill as defined by HIPAA.

The vast majority of policies now being sold in New York are policies that pay up to a fixed sum for each day of nursing home confinement or a portion of the fixed reimbursement for other long term care services. As was stated in earlier reports, in 1989, Finger Lakes Long Term Care Insurance Company (now MedAmerica Insurance Company of New York) received approval of a comprehensive long term care policy under which the company contracted with certain nursing homes and home health care agencies to provide services to its policyholders and paid benefits on the basis of a certain percentage of the negotiated rate. Finger Lakes made a corporate decision to stop selling the policy, since the high cost of the coverage prevented the company from successfully marketing the coverage.

Insurers continue to develop and offer new long term care benefits either as part of the long term care policy or through the purchase of optional riders. Some of these innovative benefits include:

- Bankers Conseco Life Insurance Company allows applicants to choose from a variety of optional benefit riders, such as Lifetime Inflation Protection, Survivor Maximum Benefit Increase Rider, Paid-up Survivorship Benefit Rider, Return of Premium, and Limited Premium Payment Rider. They also automatically include a Guaranteed Purchase Option if the insured doesn't elect either simple or compound inflation protection at time of application. They also offer spousal premium discounts to encourage the purchase of long term care insurance.

- Continental Casualty Company (CNA) offers a core/buy-up product in which the employer contributes to a basic “core” amount of coverage and employees “buy-up” additional amounts on a voluntary basis. CNA also has a Guaranteed Benefit Option which provides inflation protection increases on a voluntary basis rather than building the cost in like automatic inflation protection features. They also offer a shared lifetime maximum benefit to allow couples access to a longer lifetime maximum, if needed, at a lower cost than buying the longer lifetime maximum for each person.

- First Unum stated that “aging in place,” allowing insureds to remain in their homes, is a key focus of the core policy provisions and may help propel the discussion and decision to purchase long term care insurance as the baby boomer population ages.

- Genworth Life Insurance Company of New York is in the process of filing two new products in New York that have new and improved features, i.e., providing some level of international home care, a small cash benefit, providing the choice of service or calendar days for the elimination period and having a caregiver support training program that is available to policyholders and their families. Genworth also continues to sell a hybrid product combining life and long term care insurance and believes that these hybrid products help alleviate a key consumer issue regarding the “use it or lose it” nature of long term care insurance.

- John Hancock Life & Health Insurance Company offers unlimited automatic inflation coverage linked to the consumer price index to keep pace with the prices of goods and services in our economy on a level premium basis. They also offer caregiver support services that provide policyholders and their families access to advice, resources, provider quality reports and discounts. John Hancock also offers consumer protection provisions, including an Alternative Services Benefit and an independent third party review, to give the policyholder the reassurance that they need at the time of purchase and at the time of claim.

- MassMutual offers a number of competitive features including: flexible policy design that optimizes customization, share care benefit, third-party ownership, lifetime benefit period, Alternative Plan of Care coverage, return of premium options and care coordination, either self-directed or assisted.

- MedAmerica Insurance Company of New York offers a 100% cash long term care insurance product. The policyholder is able to have complete control over the type of care that they receive. This product gives an immense amount of policyholder choice and helps combat the perceived negative aspects surrounding long term care insurance. MedAmerica has approximately 4,600 insureds in New York with this type of policy.

- Mutual of Omaha offers several less expensive inflation options and limited pay options so the policy is paid up at retirement. Mutual of Omaha is also in the process of filing a new product with the Department that includes a cash benefit.

- New York Life Insurance Company has a Consumer Price Index Urban Benefit Increase Rider that offers significant advantages over traditional forms of inflation protection. This rider allows for much lower initial cost of coverage, lessening the barrier to the initial sale, while offering affordable increases in coverage to account for increases in the cost of care.

- Northwestern Long Term Care Insurance Company offers a survivorship benefit that allows the insureds' policies to be "paid up" if their spouse dies regardless of whether both husband and wife paid premiums for a certain amount of years or either were in claim status at one point in time.

- Prudential Insurance Company of America has developed and launched a product that provides a simplified approach to acquiring coverage, as the number of decisions around the coverage is drastically reduced. Prudential expects this product to appeal to agents and brokers who are not experts in long term care insurance but recognize the importance of long term care insurance in their clients' financial planning. The product is available in forty states plus the District of Columbia, including New York. Prudential is also exploring the creation of a hybrid life and long term care insurance product.

Many insurers are exploring combining other types of insurance, i.e., disability income, life and annuities, with long term care insurance to encourage the purchase of the long term care coverage. Two insurers have received approval for a combination life insurance and long term care insurance product. One insurer has received approval of an annuity with a long term care insurance rider. The Department has also approved a rider that allows an individual disability income policyholder an option to buy a long term care insurance policy in the future without being subject to underwriting at the time of purchase of the long term care insurance policy. Therefore, even if the person is no longer in good health, they would be able to purchase long term care insurance at a future date.

Regulatory Environment

The Department of Financial Services continues to make every effort to encourage the development of long term care coverage through priority review of long term care contracts submitted for approval. The Department, while continuing to monitor the need for amendments to the minimum standards regulation, has determined that the current regulation provides necessary protections, while allowing insurers flexibility in designing products.

In order to assist insurers in submitting long term care products to the Department for approval and in order to expedite the approval of the policies, the Department has developed product outlines for individual tax qualified, non-Partnership long term care insurance policies and tax qualified nursing home and home care, nursing home only, and home care only insurance policies. The Department has also completed checklists for group tax qualified non-Partnership long term care insurance and group tax qualified nursing home and home care insurance. Insurers are also eligible to use the Department's certification by checklist process in order to secure expedited approval of these products. The checklists for these policies also provide a complete listing of the requirements for submitting policies for approval, including the filing process, requirements for tax-qualified policies, the application, conditional receipt/interim insurance agreement, required disclosure form, general reminders, review of product outline, actuarial requirements for new products and actuarial requirements for existing products.

The Department has also worked with the Office for the Aging and the Department of Health in implementing the Partnership Program and has established a toll-free number (1-888-NYS-PLTC) within the Department for inquiries on the program. The Department has worked with the Department of Health on modernizing the benefits under the Partnership program in order to make them more marketable in the current environment. The agencies continue to work closely together to jointly develop and implement changes to the Partnership Program.

Additionally, as mentioned earlier in the report, the Legislature established the New York Public Employee and Retiree Long Term Care Insurance Plan (NYPERL) in 1998, which has made available a group long term care policy for all State employees who are eligible or become eligible for participation in the New York State Health Insurance Plan. The group long term care insurance coverage is provided by MedAmerica Insurance Company of New York. Coverage remains intact for employees who terminate employment while participating in the Long Term Care Insurance Plan as long as they continue to pay premiums. The full cost of the coverage, including coverage of eligible family members, is paid by the employee or insured person. Local governments and other public and quasi-public employers may participate in NYPERL if the employer is eligible for the State's health insurance program and the governing body elects to participate.

Marketing Concerns

Insurers cited several factors as impeding the development of enrollment in long term care insurance policies. As with prior reports, many insurers cited a general lack of knowledge about long term care insurance, perceived affordability issues, confusion about what Medicare/Medicaid covers and the widespread perceived lack of need as factors impeding the development of enrollment. These barriers appear to persist and are common nationwide.

Also, due to the economic downturn starting in September 2008, many insurers cited, in addition to the specific factors listed below, the economy as impeding the sale of long term care insurance. High unemployment and the overall economic downturn have forced consumers to make difficult choices with their dollars. Potential insureds are analyzing and deciding how to allocate shrinking income as well as their depleted liquid assets (401k, etc), and some choose not to purchase long term care insurance at this time.

A few insurers cited more specific factors as impeding the development of enrollment in their long term care insurance policies. They are as follows:

- Continental Casualty Company (CNA) stated that the group long term care business faces many of the same barriers as individual long term care (e.g., lack of awareness, perceived affordability issues). Federal regulatory prohibitions on pre-tax deductibility and the ability of employers to include group long term care in cafeteria plans are major obstacles. Also, Partnership plans have not proven effective in the group market, since the administrative overhead and required plan designs make them difficult to support and market in the group setting.

- First Unum stated that the lack of access to employees to communicate the need for long term care insurance is the greatest impediment to enrollment. Without access, very little success is achieved in educating the consumer on the need for long term care insurance. First Unum also found that when the employer pays for a base level of coverage in the group long term care insurance, then the employees are far more engaged in the enrollment and more likely to purchase higher levels of coverage.

- John Hancock stated that for group long term care insurance the submission of the group policy and certificates to multiple states for approval is inconsistent with the needs of the group client and is an impediment to group sales. The insurer did not address the necessary balance between the state regulatory process designed to protect consumers and the needs of the group client. John Hancock would support the inclusion of the benefit in Flex Spending Accounts or an above the line federal tax deduction to encourage the sale of long term care insurance.

- MetLife cited the changing regulatory environment surrounding long term care insurance as hurting the development of enrollment.

- Northwestern believes that an impediment to the sale of franchise long term care insurance is the limitation on employers paying the full cost of the discounted long-term care insurance premium on policies issued directly to the insured in New York. However, the insurer did not address the issue of how an employer can pay the entire cost for coverage when the employer has no contractual relationship with the insurer.

- Transamerica stated that an impediment to the sale of their product is the state-by-state variation in the form and rate approval process. They also believe that the elimination of state variations will help remove some of the complexities that are inherent in the state-by-state agent/producer training processes. The insurer did not address the necessary balance between the state regulatory process designed to protect consumers and the sale of their product.

Success of Marketing Policies Under the New York State Partnership for Long Term Care

Insurers again reported mixed results on the success of marketing long term care policies that qualify under the New York State Partnership. CNA and New York Life indicated that they were less successful in marketing long term care policies qualifying under the Partnership than other long term care products. New York Life stated that their producers have said that the Partnership plan helps create a willingness to learn more about New York Life and long term care insurance, but that it does not necessarily translate into Partnership sales.

CNA also reported that they have sold approximately 19 times as many non-Partnership as Partnership certificates in New York State in the group market. They stated that the primary barrier to marketing Partnership plans is the requirement to offer a core plan including automatic compound inflation protection. They stated that many employers have employees in other states or want to offer a less expensive option without the automatic inflation protection. Further, they stated that employers are not usually able to offer more than three or four plan options, so employers may choose to not offer the Partnership option.

A few Partnership insurers highlighted their favorable experience with the New York Partnership for Long Term Care program. Genworth expressed favorable experience with the Partnership program. They stated that the promotional efforts undertaken in New York are a “best practice” for other states. Their marketing organization has found the Partnership beneficial for direct mail awareness/lead generation campaigns and that the inclusion of Partnership material significantly outperforms designs that do not mention the Partnership, due to the inherent value of the Partnership program and the awareness raised by the “Plan Ahead NY” campaign. John Hancock also cited the “Plan Ahead NY” campaign and the marketing done by the New York Partnership for Long Term Care office as assisting their own marketing efforts and promoting sales

Recommendations and Anticipated Actions to be Taken By the Department of Financial Services

There has been a decrease in the number of insurers selling long term care insurance in New York State and nationwide, but an increase in the number of both in-force non-Partnership policies and in-force Partnership policies. In order to continue to encourage insurance companies to offer, and consumers to purchase long term care insurance, the Department has the following recommendations:

- The New York State Department of Financial Services, Department of Health and Office for the Aging should continue their efforts to inform the public of the limitations of existing health insurance contracts and governmental programs as they relate to long term care services, the favorable federal and state income tax treatment of premiums and favorable income tax treatment of benefit payments for tax qualified long term care insurance, and the advantages of purchasing a long term care policy qualifying under the New York State Partnership Program.

An intense, concerted, long range consumer education campaign is essential to effectuating a culture change with respect to the private financing of long term care services.

- New York's tax credit for long term care premiums provides a substantial benefit to New Yorkers. New York State should increase its efforts to educate the public that the state will support their efforts to plan for the future by paying 1/5 of the bill for their long term care insurance premiums, and that the credit is available to anyone paying premiums. Therefore, children who pay for coverage on behalf of their parents can take advantage of this tax credit.

- The federal government should be encouraged to allow an above-the line deduction or tax credit for long term care premiums and allow long term care insurance to qualify as part of a Cafeteria Plan under Section 125 of the Internal Revenue Code to allow before-tax deduction for premiums.

The Department will take the following actions:

- Continue to review the minimum standards for the form, content and sale of long term care insurance, and amend them as necessary;

- Periodically update the Department's Consumer Guide for Long Term Care Insurance;

- Continue to work with the Department of Health and Office for the Aging in publicizing and answering questions from the public on the New York State Partnership for Long Term Care;

- Continue to provide information and assistance to senior citizens concerning Medicare supplement insurance, long term care insurance and other coverages available to senior citizens; and

- Continue to provide guidance to the industry and to engage in prompt discussions between the industry and the Department with regard to the marketing of long term care insurance.

APPENDIX 1

Number of Non-Partnership Long Term Care Policies In-force in New York As of December 31, 2010

Insurer	Policy					No. of Persons Covered in NY					
	Form Number	Date of New York Approval	Type of Coverage: Individual	Type of Coverage: Group	No. of Contracts	Age Group at Purchase: Under 45	45-54	55-64	65-74	75 and over	TOTAL
Aetna Life Insurance Company*	GR-700	12/14/1994		X	55	2,343	1,369	1,105	329	32	5,178
	TOTALS		**0**	**1**	**55**	**2,343**	**1,369**	**1,105**	**329**	**32**	**5,178**
Allianz Life Insurance Company of New York*	GSC-1800-PL	5/8/1992		X	5	0	0	0	0	5	5
	10-P-Q-NY	10/3/2005	X		1,103	16	145	582	293	67	1,103
	TOTALS		**1**	**1**	**1,108**	**16**	**145**	**582**	**293**	**72**	**1,108**
American Family Life Assurance of New York*	NY-20000	3/15/1991	X		4	0	1	1	1	1	4
	NY-21000	1/21/1992	X		54	0	4	15	32	3	54
	NY-22000	1/21/1992	X		30	0	0	4	19	7	30
	NY-27000	9/16/2002	X		144	46	85	53	1	0	185
	TOTALS		**4**	**0**	**232**	**46**	**90**	**73**	**53**	**11**	**273**
American Independent Network Insurance Company of New York*	PF2600NY	10/28/1998	X		496	3	58	175	228	32	496
	ALP1(NY)	10/12/1999	X		48	0	1	10	24	13	48
	ALP2(NY)	10/12/1999	X		10	0	2	2	5	1	10
	ALP1(NY)-TQ	10/21/1999	X		48	0	3	11	20	14	48
	ALP2(NY)-TQ	10/21/1999	X		24	0	3	7	13	1	24
	IL4-1(NY)	2/15/2000	X		564	2	23	97	283	159	564
	IL4-2(NY)	2/15/2000	X		23	0	5	5	10	3	23
	IL4-1-TQ(NY)	2/25/2000	X		18	0	3	2	6	7	18
	IL4-2-TQ(NY)	2/25/2000	X		188	0	5	32	79	72	188
	LTCTP6500NY-AI	10/4/2000	X		141	2	11	52	67	9	141
	PF3(NY)	7/19/2005	X		2	0	0	2	0	0	2
	PF3-TQ(NY)	7/19/2005	X		80	1	10	40	25	4	80
	SR2-1-AI(NY)	6/12/2008	X		3	0	1	0	1	1	3
	SR2-2-AI(NY)	6/12/2008	X		6	0	0	4	1	1	6
	TOTALS		**14**	**0**	**1,651**	**8**	**125**	**439**	**762**	**317**	**1,651**

American International Life Assurance Company of New York*	64391-NY Non-TQ	7/14/1998	X		263	0	0	0	256	7	263
	64391-NYTQ	7/14/1998	X		237	0	0	1	236	0	237
	TOTALS		**2**	**0**	**500**	**0**	**0**	**1**	**492**	**7**	**500**
American Progressive Life and Health Insurance Company of New York*	ANH-86	6/8/1905	X		18	0	2	4	11	1	18
	HHC-800	3/1/1995	X		339	0	4	61	195	79	339
	NHHH-700	7/1/1996	X		68	0	6	27	25	10	68
	NHO-700	7/1/1996	X		38	0	0	7	20	11	38
	CERT-HHC	7/1/1997	X		32	0	0	3	18	11	32
	CERT-NHHH	7/1/1997	X		5	0	1	2	1	1	5
	CERT-NHO	7/1/1997	X		3	0	0	2	0	1	3
	QC-HHC	7/1/1997	X		20	0	0	2	12	6	20
	QI-HHC	7/1/1997	X		213	0	3	39	108	63	213
	QI-NHHH	7/1/1997	X		39	0	3	9	21	6	39
	QI-NHO	7/1/1997	X		44	0	0	9	31	4	44
	HHC 1/98	1/1/1998	X		972	1	20	126	513	312	972
	APRLTNQ (3/99) NY	6/30/1999	X		52	4	4	23	16	5	52
	APRLTCQ (3/99) NY	6/30/1999	X		100	9	20	22	44	5	100
	PR-NHO	10/1/2000	X		47	0	4	21	18	4	47
	PR-NHOQ	10/1/2000	X		86	0	14	38	29	5	86
	TOTALS		**16**	**0**	**2,076**	**14**	**81**	**395**	**1,062**	**524**	**2,076**
Aviva Life & Annuity Company of New York *(prev. John Alden)**	NY-5762-P	2/27/1995	X		117	5	28	50	31	3	117
	NY-5762-P(Q)	2/27/1995	X		23	1	10	8	4	0	23
	TOTALS		**2**	**0**	**140**	**6**	**38**	**58**	**35**	**3**	**140**
Bankers Conseco Life Insurance Company *(prev. Conseco)*	ATIC-LTC-10-NY	10/8/1996	X		20	0	1	6	13	2	22
	ATIC-LTC-6-NY	1/13/1997	X		339	3	28	166	202	31	430
	ATIC-LTC-6B-NY	5/31/1997	X		124	0	7	52	70	13	142
	ATIC-FQ-LTC-NY	3/4/1998	X		1,234	12	218	555	638	178	1,601
	BLNY-GR-N520	4/28/2006	X		24	0	1	7	14	2	24
	BLNY-GR-N540	4/28/2006	X		2	0	0	1	1	0	2
	BLNY-GR-N550	4/28/2008	X		141	9	20	53	58	3	143
	BLNY-GR-N500	9/12/2007	X		553	0	25	150	299	91	565
	TOTALS		**8**	**0**	**2,437**	**24**	**300**	**990**	**1,295**	**320**	**2,929**

Berkshire Life Insurance Company of America	BGO1P(06/04)-NY	6/30/2004	X		1,202	195	753	807	147	6	1,908
	BGO2P(06/04)-NY	6/30/2004	X		7	0	1	7	0	0	8
	BGO3P(06/04)-NY	6/30/2004	X		371	154	208	228	28	1	619
	BGO4P(06/04)-NY	6/30/2004	X		0	0	0	0	0	0	0
	BGO5P(06/04)-NY	6/30/2004	X		45	46	21	14	3	0	84
	BGO6P(06/04)-NY	6/30/2004	X		1	1	0	0	0	0	1
	BGO1P(01/09)-NY	4/15/2010	X		38	7	17	25	7	0	56
	BGO2P(01/09)-NY	4/15/2010	X		0	0	0	0	0	0	0
	BGO3P(01/09)-NY	4/15/2010	X		4	1	0	4	0	0	5
	BGO4P(01/09)-NY	4/15/2010	X		0	0	0	0	0	0	0
	BGO5P(01/09)-NY	4/15/2010	X		1	1	0	0	0	0	1
	BGO6P(01/09)-NY	4/15/2010	X		0	0	0	0	0	0	0
	TOTALS		**12**	**0**	**1,669**	**405**	**1,000**	**1,085**	**185**	**7**	**2,682**
CIGNA Life Ins Co of NY (prev. Ct Gen)*	TL-001445	4/20/1990		X	1	0	17	61	74	2	154
	TOTALS		**0**	**1**	**1**	**0**	**17**	**61**	**74**	**2**	**154**
Combined Life Ins Co of NY*	44515	9/8/1998	X		114	5	17	49	37	6	114
	TOTALS		**1**	**0**	**114**	**5**	**17**	**49**	**37**	**6**	**114**
Continental Casualty Company (CNA)	P1-59806-A31	11/23/1988	X		307	0	53	148	105	1	307
	P1-15203-A31	12/13/1991	X		948	7	224	424	269	24	948
	P1-16356-A31	12/13/1991	X		44	0	22	22	0	0	44
	P1-18876-A31	5/4/1995	X		201	3	31	70	81	16	201
	P1-18878-A31	5/4/1995	X		4	0	1	2	1	0	4
	P1-21295-A31	5/19/1995	X		383	6	50	177	129	21	383
	P1-21300-A31	5/19/1995	X		758	19	166	352	206	15	758
	P1-21305-A31	5/19/1995	X		13	1	0	7	4	1	13
	P1-N0022-A31	2/28/1997	X		973	8	122	422	357	64	973
	P1-N0023-A31	2/28/1997	X		2	0	0	0	2	0	2
	P1-N0026-A31	2/28/1997	X		2,178	39	399	1,039	633	68	2,178
	P1-N0027-A31	2/28/1997	X		11	1	6	3	1	0	11
	P1-N0030-A31	2/28/1997	X		27	0	5	10	9	3	27
	P1-N0034-A31	2/11/1997	X		85	1	7	39	30	8	85
	P1-N0075-A31	5/27/1999	X		2	0	0	1	1	0	2
	P1-N0080-A31	5/27/1999	X		13	2	0	5	5	1	13

	P1-N0081-A31	5/27/1999	X		2	0	0	2	0	0	2
	P1-N0085-A31	5/27/1999	X		96	2	14	45	32	3	96
	P1-N0086-A31	5/27/1999	X		2	0	0	0	1	1	2
	P1-N0090-A31	5/27/1999	X		30	0	0	3	14	12	1
	P1-N0091-A31	5/27/1999	X		1	0	0	0	1	0	1
	P1-N0095-A31	5/27/1999	X		518	2	82	242	145	47	518
	P1-N0100-A31	5/27/1999	X		3,998	114	1,061	2,019	734	70	3,998
	P1-N0101-A31	5/27/1999	X		6	0	3	3	0	0	6
	SR-LTCP-31	9/16/1992		X	48	3,018	3,094	1,752	393	31	8,288
	GLTC-3-P-NY-01	3/5/2003		X	6	328	574	511	53	6	1,472
	TOTALS		**24**	**2**	**10,656**	**3,551**	**5,914**	**7,298**	**3,206**	**392**	**20,361**
First United American Life Insurance Company*	NYNH2	1/31/1989	X		8	0	1	3	4	0	8
	NYNH3	1/31/1989	X		57	0	2	23	29	3	57
	TOTALS		**2**	**0**	**65**	**0**	**3**	**26**	**33**	**3**	**65**
First Unum Life Insurance Company	LTC5092	1/29/1993	X		2	0	0	2	0	0	2
	LTC5192	1/29/1993	X		15	2	7	5	1	0	15
	LTC5292	1/29/1993	X		4	2	2	0	0	0	4
	LTC5392	1/29/1993	X		6	0	2	4	0	0	6
	LTC5492	1/29/1993	X		2	0	2	0	0	0	2
	LTC5592	1/29/1993	X		62	13	10	19	15	5	62
	NH94	12/30/1994	X		1,000	38	213	425	287	37	1,000
	NH94FQ	10/23/1997	X		3,135	657	1,096	1,034	290	58	3,135
	NH94Q	10/23/1997	X		16,117	819	4,368	7,679	2,812	439	16,117
	LTC03	10/21/2003	X		1	0	0	1	0	0	1
	LTCP03	10/21/2003	X		527	29	147	274	67	10	527
	LTCP03F	10/21/2003	X		430	187	146	86	10	1	430
	LTCT03	10/21/2003	X		102	21	35	33	11	2	102
	LTCT03F	10/21/2003	X		119	45	38	29	7	0	119
	RLTCP03	10/21/2003	X		540	11	162	293	63	11	540
	RLTCP03F	10/21/2003	X		139	18	63	48	9	1	139
	B.LTC	8/2/1990		X	126	5,214	2,450	1,192	161	19	9,036
	GLTC04	2/28/2005		X	173	2,754	2,018	1,214	208	20	6,214
	TOTALS		**16**	**2**	**22,500**	**9,810**	**10,759**	**12,338**	**3,941**	**603**	**37,451**

Genworth Life Insurance Company of New York	50100	3/21/1989	X		859	0	50	411	371	27	859
	50107	6/14/1994	X		1,822	13	162	706	844	97	1,822
	51000	1/31/1996	X		138	2	3	46	65	22	138
	50110	5/10/1995	X		1,795	11	123	580	918	163	1,795
	51002	1/31/1996	X		3,503	10	189	1,192	1,672	440	3,503
	51005	11/25/1998	X		9,371	114	1,292	4,855	3,456	754	10,471
	51006	12/15/1998	X		443	1	19	114	203	106	443
	51007	9/28/1998	X		124	0	10	45	42	27	124
	51010	2/12/2001	X		16,985	480	3,728	9,200	3,510	749	17,667
	51012	9/9/2004	X		2,936	81	627	1,615	713	95	3,131
	51014	9/9/2004	X		4,638	200	1,430	2,954	681	34	5,299
	7048NY	5/25/2007	X		13	0	0	9	4	0	13
	51012-REV	9/21/2007	X		1,319	33	222	742	383	37	1,417
	51014-REV	9/21/2007	X		1,823	55	584	1,196	296	7	2,138
	5109	7/12/199		X	4,656	1,755	952	803	913	233	4,656
	7046 POL-NY	12/6/2006		X	616	165	247	185	18	1	616
	7050 POL-NY	5/21/2009		X	48	11	9	27	1	0	48
	TOTALS		**14**	**3**	**51,089**	**2,931**	**9,647**	**24,680**	**14,090**	**2,792**	**54,140**
Hartford Life Insurance Company*	SRP-1353	1/28/1999		X	8	0	0	5	3	0	8
	TOTALS		**0**	**1**	**8**	**0**	**0**	**5**	**3**	**0**	**8**
John Hancock Life & Health Insurance Company	LTC-87A	7/30/1987	X		49	6	4	24	15	0	49
	LTC-88A NY	4/15/1988	X		26	0	2	13	11	0	26
	LTC-88B NY	4/15/1988	X		847	36	178	451	178	4	847
	LTC-90-NY	9/7/1990	X		178	17	40	79	40	2	178
	LTC-NY-91	12/31/1991	X		1,246	26	194	564	439	23	1,246
	NH-NY-91	12/31/1991	X		17	0	0	5	10	2	17
	LTC-94 NY	2/24/1994	X		2,710	40	435	1,111	993	131	2,710
	NH-94 NY	2/24/1994	X		32	1	3	9	14	5	32
	LTC-96 NY 9/96	1/16/1997	X		11,698	136	1,347	5,074	4,473	668	11,698
	LTC-96CL NY 9/96	1/16/1997	X		11	0	0	5	4	2	11
	LTC-96 NY 5/01	7/5/2001	X		798	20	96	358	276	48	798
	LTC-02 NY	4/19/2002	X		7,092	208	1,626	3,601	1,448	209	7,092
	SG-02 NY	4/19/2002	X		2,545	93	534	1,346	505	67	2,545
	BSC-02 NY	4/19/2002	X		428	5	49	207	126	41	428
	SGB-02 NY	4/19/2002	X		90	3	7	54	19	7	90
	LTC-03 NY	11/114/2003	X		9,573	288	2,037	4,920	2,067	261	9,573

	SG-03 NY	11/14/2003	X		2,985	158	685	1,478	605	59	2,985
	BSC-03 NY	11/14/2003	X		368	6	55	191	93	23	368
	SGB-03 NY	11/14/2003	X		177	1	30	82	47	17	177
	LTC-06 NY	7/10/2006	X		485	29	142	239	70	5	485
	SG-06 NY	7/10/2006	X		285	24	73	147	38	3	285
	P-FACE(2009)	10/21/2008		X	8	234	275	214	34	0	757
	TOTALS		**21**	**1**	**41,648**	**1,331**	**7,812**	**20,172**	**11,505**	**1,577**	**42,397**
John Hancock Life Insurance Company (U.S.A)*	LTC-88A NY	4/15/1988	X		1	0	0	1	0	0	1
	LTC-88B NY	4/15/1988	X		6	0	0	4	2	0	6
	LTC-90-NY	9/7/1990	X		1	1	0	0	0	0	1
	LTC-NY-91	12/31/1991	X		9	0	1	6	2	0	9
	NH-NY-91	12/31/1991	X		1	0	0	1	0	0	1
	LTC-94 NY	2/24/1994	X		15	0	2	3	6	4	15
	LTC-96 NY 9/96	1/16/1997	X		74	1	9	38	23	3	74
	LTC-96 NY 5/01	7/5/2001	X		9	1	0	5	2	1	9
	LTC-02 NY	4/19/2002	X		66	4	13	27	19	3	66
	SG-02 NY	4/19/2002	X		15	1	6	8	0	0	15
	SGB-02 NY	4/19/2002	X		1	0	0	0	1	0	1
	LTC-03 NY	11/14/2003	X		75	3	17	34	18	3	75
	BSC-03 NY	11/14/2003	X		3	1	0	2	0	0	3
	SG-03 NY	11/14/2003	X		22	0	7	6	6	3	22
	SGB-03 NY	11/14/2003	X		1	0	0	0	0	1	1
	LTC-06 NY	7/10/2006	X		3	0	2	1	0	0	3
	SG-06 NY	7/10/2006	X		6	2	0	2	2	0	6
	GCB-COV-0001	10/19/1989		X	1	134	339	353	123	6	955
	GPB-COV-002	7/30/1990		X	1	1,469	1,813	1,284	323	9	4,898
	GPB-COV0002.01	6/28/1996		X	28	1,308	1,343	908	156	6	3,721
	P-FACE(2002-2)	10/17/2002		X	48	1,348	1,944	1,759	499	144	5,694
	P-FACE(2004)	2/15/2006		X	18	303	289	213	22	0	827
	TOTALS		**17**	**5**	**404**	**4,576**	**5,785**	**4,655**	**1,204**	**183**	**16,403**
Knights of Columbus	LTC01-NY 6-99	10/18/2000	X		696	48	186	325	132	5	696
	NHC01-NY 6-99	10/18/2000	X		135	5	32	67	29	2	135
	TOTALS		**2**	**0**	**831**	**53**	**218**	**392**	**161**	**7**	**831**

Massachusetts Mutual Life Insurance Company	MM-200-P-NY	7/28/2002	X		376	11	148	306	86	6	557
	MM-201-P-NY	7/28/2002	X		4	0	2	3	1	0	6
	MM-203-P-NY	7/28/2002	X		124	23	76	86	18	1	204
	MM-204-P-NY	7/28/2002	X		1	0	0	1	0	0	1
	MM-300-P-NY	3/13/2003	X		621	68	328	461	72	5	934
	MM-301-P-NY	3/13/2003	X		6	0	1	3	1	1	6
	MM-303-P-NY	3/13/2003	X		320	88	220	180	24	4	516
	MM-304-P-NY	3/13/2003	X		1	1	0	0	0	0	1
	MM-400-P-NY	4/8/2005	X		403	23	198	333	53	3	610
	MM-401-P-NY	4/8/2005	X		2	1	1	2	0	0	4
	MM-402-P-NY	4/8/2005	X		219	45	143	171	14	1	374
	MM-403-P-NY	4/8/2005	X		1	0	0	1	0	0	1
	MM500-P-NY	3/19/2008	X		510	19	133	259	93	6	510
	MM501-P-NY	3/19/2008	X		5	0	2	2	1	0	5
	MM502-P-NY	3/19/2008	X		105	9	32	49	14	1	105
	MM503-P-NY	3/19/2008	X		6	5	0	0	1	0	6
	MM504-P-NY	3/19/2008	X		4	2	2	0	0	0	4
	MM505-P-NY	3/19/2008	X		0	0	0	0	0	0	0
	TOTALS		**18**	**0**	**2,708**	**295**	**1,286**	**1,857**	**378**	**28**	**3,844**
MedAmerica Insurance Company of New York	LTC89-CD1	4/18/1987	X		66	0	3	50	12	1	66
	LTC89-CD2	1/1/1989	X		487	127	144	147	65	4	487
	LTC89-CD3	4/18/1989	X		16	0	0	8	8	0	16
	LTC91-CD4-NY	7/1/1991	X		1,595	15	91	706	729	54	1,595
	LTC-LBP-NY	9/23/1994	X		506	4	39	178	261	24	506
	LTC-CD8-NY	7/31/1995	X		227	2	14	89	98	24	227
	LTC-LBP8-NY	7/31/1995	X		190	0	5	56	102	27	190
	LTC-CD8-NY-Rev 1/1/97	1/29/1997	X		136	3	7	74	43	9	136
	LTC-LBP8-NY-Rev 1/1/97	1/29/1997	X		57	0	3	15	36	3	57
	LTC-CD10-NY	4/15/1997	X		1,227	34	158	464	463	108	1,227
	LTC-CD10C-NY	4/16/1997	X		2	0	0	1	1	0	2
	LTC-LBP10-NY	4/15/1997	X		154	1	1	24	86	42	154
	LTQ11-336-NY-998	3/22/2000	X		508	46	80	189	162	31	508
	NTQ11-337-NY-998	3/23/2000	X		40	0	1	6	21	12	40
	HTQ11-338-NY-998	3/23/2000	X		134	0	2	30	73	29	134
	LTQ11-336-NY-601	1/4/2002	X		650	42	170	300	115	23	650

	HTQ11-338-NY-601	1/4/2002	X		402	1	26	133	178	64	402
	NTQ11-337-NY-601	1/4/2002	X		38	0	0	7	23	8	38
	SPL-336-NY	2/24/2004	X		1,665	154	460	762	263	26	1,665
	FSPL-336NY	2/24/2004	X		485	118	199	153	15	0	485
	GSPL-336NY	2/24/2004	X		995	199	386	342	63	5	995
	SPL2-336NY	3/14/2007	X		704	95	178	303	111	17	704
	FSPL2-336NY	3/14/2007	X		194	46	94	46	8	0	194
	GSPL2-336NY	3/14/2007	X		343	45	131	147	19	1	343
	GRP11342NY-999	3/24/2000		X	515	224	176	100	15	0	515
	NYG11-342-NY-200	6/1/2001		X	3,264	579	1,310	1,133	219	23	3,264
	GRP11-342-NY-601	10/13/2001		X	473	149	198	114	11	1	473
	GRPSPL-342-NY	6/23/2005		X	279	138	87	49	5	0	279
	TOTALS		**24**	**4**	**15,352**	**2,022**	**3,963**	**5,626**	**3,205**	**536**	**15,352**
MetLife Insurance Company of Connecticut *(prev. Travelers)**	LCT1	5/6/1989	X		11	0	3	7	1	0	11
	LCT2	3/18/1991	X		14,908	175	1,750	5,989	6,291	703	14,908
	LCT4	12/30/1997	X		6,252	99	1,003	2,972	1,944	234	6,252
	TOTALS		**3**	**0**	**21,171**	**274**	**2,756**	**8,968**	**8,236**	**937**	**21,171**
Metropolitan Life Insurance Company*	LTC.02	12/23/1991	X		798	0	1	29	149	619	798
	LTC.03	3/31/1999	X		1,410	1	1	50	438	920	1,410
	1-LTC-97-NY	5/24/1999	X		2,318	2	70	515	1,033	698	2,318
	2-LTC-97	5/24/1999	X		52	0	1	3	13	35	52
	TCL-LTC.04 (NY)	3/21/2000	X		1,364	3	27	155	627	552	1,364
	LTC-FAC-NY	8/9/2002	X		55	3	14	31	3	4	55
	LTC-IDEAL-NY	8/9/2002	X		3,161	177	1,036	1,558	356	34	3,161
	LTC-PREM-NY	8/28/2002	X		292	52	120	97	21	2	292
	LTC-VAL-NY	8/9/2002	X		1,988	112	541	938	340	57	1,988
	LTC-FAC-ML-NY	11/25/2002	X		3	1	0	1	1	0	3
	LTC-IDEAL-ML-NY	11/25/2002	X		405	79	122	173	27	4	405
	LTC-PREM-ML-NY	11/25/2002	X		44	7	12	18	7	0	44
	LTC-VAL-ML-NY	11/25/2002	X		438	45	133	199	51	10	438
	LTC2-FAC-NY	7/20/2005	X		19	0	4	4	10	1	19
	LTC2-IDEAL-NY	7/20/2005	X		1,541	81	395	793	239	33	1,541
	LTC2-PREM-NY	7/20/2005	X		308	46	124	112	24	2	308
	LTC2-VAL-NY	7/20/2005	X		2,095	103	509	1,031	389	63	2,095
	LTC2-FAC-ML-NY	8/15/2005	X		8	2	2	3	0	1	8
	LTC2-IDEAL-ML-NY	8/15/2005	X		857	98	247	432	74	6	857
	LTC2-PREM-ML-NY	8/15/2005	X		191	28	69	82	12	0	191

	LTC2-VAL-ML-NY	8/15/2005	X		1,209	229	384	477	103	16	1,209
	LTC2007-ML-NY	7/24/2009	X		137	23	61	43	10	0	137
	LTC2007-NY	3/13/2009	X		423	40	125	197	57	4	423
	G.LTC197	8/31/1998		X	8	8,801	8,130	8,709	3,608	317	29,565
	GPNP99-LTC	7/23/1999		X	24	8,994	12,081	9,917	3,048	789	34,829
	GLTC 2095	6/28/1996		X	1	302	408	301	201	9	1,221
	2751	N/A		X	1	11	57	199	301	193	761
	2752	N/A		X	1	12	62	165	197	113	549
	TOTALS		**21**	**5**	**19,151**	**19,252**	**24,736**	**26,232**	**11,339**	**4,482**	**86,041**
Mutual of Omaha	NH3	12/10/1984	X		5	0	0	0	4	1	5
	NH11	1/28/1988	X		18	0	3	11	3	1	18
	NH27	2/3/1989	X		43	6	8	12	17	0	43
	NH28	2/3/1989	X		23	1	2	9	11	0	23
	LTC12	4/28/1993	X		113	1	9	54	45	4	113
	LTC17	4/28/1993	X		47	5	10	24	7	1	47
	LTI12	4/28/1993	X		2	0	0	1	1	0	2
	LTM12	4/28/1993	X		10	1	2	3	4	0	10
	NH50	4/17/1998	X		15	0	1	6	7	1	15
	LT50	5/12/1998	X		257	11	45	95	90	16	257
	HCA	6/22/2000	X		27	1	7	6	10	3	27
	HCAQ	6/22/2000	X		95	3	12	28	39	13	95
	LTA	6/22/2000	X		26	0	6	12	8	0	26
	LTAQ	6/22/2000	X		197	8	61	96	28	4	197
	NHA	6/22/2000	X		60	2	15	25	17	1	60
	NHAQ	6/22/2000	X		318	9	83	158	52	16	318
	LTC04	1/27/2005	X		545	14	111	302	108	10	545
	LTC09	2/1/2010	X		154	2	34	88	29	1	154
	TOTALS		**18**	**0**	**1,955**	**64**	**409**	**930**	**480**	**72**	**1,955**
New York Life Insurance Company	21084(NY)	5/15/1995	X		69	0	0	30	29	10	69
	21073(NY)	5/15/1995	X		7	0	0	4	2	1	7
	ILTC-4300 (NY)(0197)	2/11/1998	X		28	1	4	10	9	4	28
	INH-4300 (NY)(0197)	2/11/1998	X		3,399	488	1,190	1,105	552	64	3,399
	INH-5000 (NY)(1001)	12/20/2002	X		45	5	14	19	5	2	45
	ILTC-5000 (NY)(1001)	12/20/2002	X		4,171	752	1,439	1,479	455	46	4,171
	FNH-5000(NY)(0503)	5/18/2004	X		4	0	1	1	1	1	4
	FLTC-5000(NY)(0503)	5/18/2004	X		814	255	281	224	44	10	814
	G-6601	6/14/1996		X	2	2	0	0	0	0	2
	G-9065	12/16/1998		X	65	4	14	23	24	0	65
	TOTALS		**8**	**0**	**8,604**	**1,507**	**2,943**	**2,895**	**1,121**	**138**	**8,604**

Northwestern Long Term Care Insurance Company	RS.LTC.(1101)	10/29/2001	X		1,533	204	534	629	158	8	1,533
	RS.LTC.ML.(1101)	8/22/2002	X		284	116	61	85	21	1	284
	RS.LTC.(0708)	6/16/2008	X		3,103	313	1,114	1,308	336	32	3,103
	RS.LTC.ML.(0708)	6/16/2008	X		496	149	143	162	39	3	496
	TT.LTC.(1010)	6/16/2010	X		185	20	64	80	21	0	185
	TT.LTC.ML.(1010)	6/16/2010	X		68	31	22	13	2	0	68
	TOTALS		**6**	**0**	**5,669**	**833**	**1,938**	**2,277**	**577**	**44**	**5,669**
Prudential Insurance Company of America	GRP 99210	6/10/1999	X		665	32	135	301	186	11	665
	GRP 99211	6/10/1999	X		1,319	190	506	519	102	2	1,319
	GRP 99212	6/10/1999	X		590	22	93	223	206	46	590
	GRP 112552	9/3/2003	X		1,646	101	486	727	290	42	1,646
	GRP 112622	9/3/2003	X		362	32	83	175	71	1	362
	GRP 113141	10/18/2006	X		1,374	71	383	646	244	30	1,374
	GRP 113772	8/16/2007	X		1,273	158	337	592	175	11	1,273
	GRP 114201	10/2/2009	X		10	0	1	7	2	0	10
	GRP 114202	10/27/2009	X		2	0	0	2	0	0	2
	83500 LTCR 8002	6/30/1993		X	1	1,452	480	201	51	0	2,184
	83500 LTCR200 83500 LTC U 2001 83500 GR1045 83500 COV 1004	10/4/1995 6/30/1998 7/6/1999 12/1/2000		X	18	527	531	286	590	0	1,934
	83500 COV 5022	10/28/2008		X	2	46	43	24	2	0	115
	83500 BFW 5005	5/29/2002		X	49	4,382	5,124	4,180	890	0	14,576
	TOTALS		**9**	**4**	**7,311**	**7,013**	**8,202**	**7,883**	**2,809**	**143**	**26,050**
River Source Life Insurance Co. of NY*	38240	10/20/1989	X		516	0	39	292	176	9	516
	38240C	12/31/1991	X		600	0	42	339	205	14	600
	38225	8/31/1994	X		3,573	69	912	1,776	747	69	3,573
	38260A	11/10/1999	X		2,508	57	723	1,167	499	62	2,508
	TOTALS		**4**	**0**	7,197	126	1,716	3,574	1,627	154	**7,197**
State Farm Mutual Automobile Insurance Company	97045NY.1	1/1/1998	X		629	111	171	241	96	10	629
	97045NY.2	5/8/2001	X		101	22	29	35	13	2	101
	97058NY	12/31/2001	X		518	132	122	202	57	5	518
	97059NY	9/21/2005	X		376	96	104	134	39	3	376
	TOTALS		**4**	**0**	**1,624**	**361**	**426**	**612**	**205**	**20**	**1,624**

TIAA-Cref Life Insurance Co.* and Teachers Insurance Annuity Association of America*	LTC.02	12/23/1991	X		1,216	15	73	396	562	170	1,216
	LTC.03 (NY)	3/31/1999	X		2,127	11	141	789	948	238	2,127
	TCL-LTC.04 (NY)	3/21/2000	X		528	1	11	53	257	206	528
	2751	N/A		X	1	11	57	199	301	193	761
	2752	N/A		X	1	12	62	165	197	113	549
	TOTALS		**3**	**2**	**3,873**	**50**	**344**	**1,602**	**2,265**	**920**	**5,181**
Thrivent Financial for Lutherans* (*prev. Aid Association for*	12106 NY	12/28/1998	X		258	5	70	113	67	3	258
	12105 NY	12/28/1998	X		42	1	2	20	19	0	42
	TOTALS		**2**	**0**	**300**	**6**	**72**	**133**	**86**	**3**	**300**
Transamerica Financial Life Insurance Company (including AUSA)	GCPLUS 1290	6/28/1996	X		2	0	1	1	0	0	2
	NLTCP TQ LTC FR	7/27/2000	X		24	0	6	13	4	1	24
	P-0001 (NY-F)	3/30/2001	X		44	0	7	28	6	3	44
	LTC 304-198-NY	3/30/2001	X		63	2	12	31	13	5	63
	TFL 1-FP (NY)402	5/20/2004	X		71	5	14	35	17	0	71
	TOTALS		**5**	**0**	**204**	**7**	**40**	**73**	**23**	**9**	**152**
Union Security Life Insurance Company (*prev. First Fortis*)*	4062-NY	10/8/1998	X		184	1	21	71	65	26	184
	4063-NY	10/8/1998	X		2,883	20	461	1,585	746	71	2,883
	TOTALS		**2**	**0**	**3,067**	**21**	**482**	**1,656**	**811**	**97**	**3,067**
NON-PARTNERSHIP TOTALS	**TOTALS**		**283**	**32**	**235,370**	**56,950**	**92,633**	**138,722**	**71,922**	**14,441**	**374,668**

* Not currently marketing non-Partnership policies in New York State.

Number of Partnership Long Term Care Policies In-force in New York As of December 31, 2010

Insurer	Policy					No. of Persons Covered in NY					
	Form Number	Date of New York Approval	Type of Coverage: Individual	Type of Coverage: Group	No. of Contracts	Age Group at Purchase: Under 45	45-54	55-64	65-74	75 and over	TOTAL
American Family Life Assurance of New York*	NY-23000	12/2/1994	X		3	1	1	0	1	0	3
		TOTALS	**1**	**0**	**4**	**0**	**1**	**1**	**1**	**1**	**4**
American Progressive Life and Health Insurance Company of New York*	APRLTCP (11/99) NY	11/1/1999	X		95	0	8	23	52	12	95
		TOTALS	**1**	**0**	**102**	**0**	**9**	**23**	**53**	**17**	**102**
Aviva Life and Annuity Company of New York *(prev. John Alden)**	N-2500-P	2/18/1994	X		289	10	72	132	69	6	289
	N-2500-P(Q)	2/18/1994	X		74	4	19	32	17	2	74
		TOTALS	**2**	**0**	**363**	**14**	**91**	**164**	**86**	**8**	**363**
Bankers Conseco Life Insurance Company *(prev. Conseco)**	ATIC-RWJ-NY	10/7/1996	X		862	5	77	633	399	56	1,170
		TOTALS	**1**	**0**	**930**	**2**	**74**	**682**	**426**	**74**	**1,258**
Continental Casualty Company (CNA)*	P1-18584-A31	3/23/1993	X		1,836	15	171	750	791	109	1,836
	P1-18585-A31	3/23/1993	X		64	0	13	31	20	0	64
	P1-N0041-A31	7/29/1997	X		4,189	63	582	1,934	1,408	202	4,189
	P1-N0042-A31	7/29/1997	X		33	0	1	20	12	0	33
	SR-LTCP-31	1/1/1994		X	4	92	232	156	44	3	527
		TOTALS	**4**	**1**	**6,126**	**170**	**999**	**2,891**	**2,275**	**314**	**6,649**
Genworth Life Insurance Company of New York *(prev. GE Capital Life Assurance Co. of NY)*	50109	1/1/1996	X		1,067	1	49	417	532	68	1,067
	51001	1/30/1996	X		1,092	1	75	441	469	106	1,092
	51011	8/31/2001	X		6,727	155	1,724	3,815	958	75	6,727
	51013	9/9/2004	X		4,077	98	1,072	2,418	470	19	4,077
	51015	12/15/2005	X		1,321	27	247	836	205	6	1,321
	51015-REV	9/26/2007	X		5,004	75	843	3,077	984	30	5,009
		TOTALS	**6**	**0**	**19,288**	**357**	**4,010**	**11,004**	**3,618**	**304**	**19,293**

John Hancock Life & Health Insurance Company	LTC-91-NY-RWJ 3/95	3/25/1993	X		1,512	8	89	592	758	65	1,512
	LTC-96RWJ2 NY 9/97										
	LTC-96RWJ3 NY 9/97	3/20/1998	X		9,911	62	1,163	5,162	3,023	501	9,911
	LTC-96RWJ2 NY 4/99										
	LTC-96RWJ3 NY 4/99	7/5/2001	X		636	3	67	335	197	34	636
	NYP-05	2/9/2006	X		7,171	116	1,337	4,471	1,175	72	7,171
		TOTALS	**4**	**0**	**19,230**	**189**	**2,656**	**10,560**	**5,153**	**672**	**19,230**
Massachusetts Mutual Life Insurance Company	MM-202-P-NY	7/28/2002	X		44	2	19	33	12	1	67
	MM-205-P-NY	7/28/2002	X		0	0	0	0	0	0	0
	MM-302-P-NY	3/13/2003	X		5	0	1	6	0	0	7
	MM-305-P-NY	3/13/2003	X		0	0	0	0	0	0	0
	MM506-P-NYP	1/21/2009	X		21	0	4	10	7	0	21
	MM507-P-NYP	1/21/2009	X		2	0	0	0	2	0	2
	MM508-P-NYP	1/21/2009	X		10	0	1	8	0	1	10
	MM510-P-NYP	1/21/2009	X		3	0	3	0	0	0	3
		TOTALS	**8**	**0**	**85**	**2**	**28**	**57**	**21**	**2**	**110**
MedAmerica Insurance Company of New York	LTC-CD6-NY	3/30/1993	X		829	10	46	361	362	50	829
	LTC-CD6-NY-REV 1/1/98	6/24/1997	X		1,408	7	117	654	584	46	1,408
	PRT11-336-NY-998	2/20/2001	X		2,795	96	482	1,300	771	146	2,795
	PRT11-336-NY-305	9/1/2006	X		507	29	123	200	133	22	507
	FPRT11-336-NY-305	9/1/2006	X		18	3	6	6	2	1	18
	GPRT11-336-NY-305	9/1/2006	X		151	1	42	75	29	4	151
	PGR11-342-NY-900	6/13/2001		X	12	1	4	7	0	0	12
	NYP11-342-NY-200	6/1/2001		X	1,205	142	450	465	131	17	1,205
		TOTALS	**6**	**2**	**6,925**	**289**	**1,270**	**3,068**	**2,012**	**286**	**6,925**
MetLife Insurance Company of Connecticut *(prev. Travelers)**	LC3	3/1/1993	X		4,287	15	299	1,844	1,956	173	4,287
	LC4	12/1/1998	X		2,005	16	252	1,072	629	36	2,005
		TOTALS	**2**	**0**	**6,292**	**31**	**551**	**2,916**	**2,585**	**209**	**6,292**

Metropolitan Life Insurance Company*	RWJ.01	2/25/1994	X		149	0	0	2	16	131	149
	1-LTC-97-NYP	8/31/2001	X		163	0	3	25	86	49	163
	LTC-VAL-NY-NYP	12/16/2002	X		1,950	49	455	1,131	297	18	1,950
	LTC-VAL-MLNYP	12/16/2002	X		429	41	145	203	39	1	429
	LTC2-DD100-NYP	6/20/2006	X		39	0	3	32	2	2	39
	LTC2-DD50-NYP	10/31/2005	X		50	0	5	21	24	0	50
	LTC2-TD100-NYP	6/20/2006	X		970	39	272	553	96	10	970
	LTC2-DD100-ML-NYP	6/20/2006	X		5	0	0	3	2	0	5
	LTC2-DD50-ML-NYP	6/20/2006	X		23	7	6	9	1	0	23
	LTC2-TD100-ML-NYP	6/20/2006	X		398	50	125	198	24	1	398
	LTC2-TD50-ML-NYP	6/20/2006	X		394	27	122	194	47	4	394
	LTC2-TD50-NYP	10/31/2005	X		1,641	26	330	1,031	221	33	1,641
	G.24182	6/4/1993		X	1	30	118	327	139	10	624
		TOTALS	**12**	**1**	**6,212**	**269**	**1,584**	**3,729**	**994**	**259**	**6,835**
Mutual of Omaha Insurance Company*	LTC20	10/26/1993	X		89	3	14	38	33	1	89
	LTC23	10/26/1993	X		3	0	0	1	2	0	3
	LTM20	10/26/1993	X		5	0	2	2	1	0	5
		TOTALS	**3**	**0**	**109**	**3**	**16**	**47**	**42**	**1**	**109**
New York Life Insurance Company	21050RWJ	5/15/1995	X		45	1	10	21	11	2	45
	21050 50TAP (0105)	3/20/2006	X		55	4	17	14	18	2	55
	21050 100TAP (0105)	3/20/2006	X		44	10	17	13	4	0	44
	21050 50DDAP (0105)	3/20/2006	X		3	0	0	1	1	1	3
	21050 100DDAP (0105)	3/20/2006	X		1	0	1	0	0	0	1
		TOTALS	**5**	**0**	**148**	**15**	**45**	**49**	**34**	**5**	**148**
Prudential Insurance Company of America*	83500 PLTC 9001										
	83500 LTCR 8003	11/14/1995		X	1	1	3	0	1	1	6
	GRP 99865	11/27/2001	X		128	1	23	72	27	5	128
		TOTALS	**1**	**1**	**129**	**2**	**26**	**72**	**28**	**6**	**134**
TIAA-Cref Life Insurance Company* and Teachers Insurance Annuity Association of America*	RWJ.01	2/25/1994	X		54	0	0	2	8	44	54
		TOTALS	**1**	**0**	**54**	**0**	**0**	**2**	**8**	**44**	**54**
Transamerica Financial Life Insurance Company*	LTC 304-198-NYP	3/11/2002	X		20	0	7	8	4	1	20
		TOTALS	**1**	**0**	**20**	**0**	**7**	**8**	**4**	**1**	**20**

Union Security Life Insurance Company *(prev. First Fortis)****	4051-NY	9/24/1998	X		1,872	14	180	974	608	96	1,872
		TOTALS	**1**	**0**	**1,939**	**14**	**180**	**997**	**633**	**115**	**1,939**
PARTNERSHIP TOTALS			**59**	**5**	**67,956**	**1,357**	**11,547**	**36,270**	**17,973**	**2,318**	**69,465**

* Not currently marketing Partnership policies in New York State.

			Type of Coverage		**No. of Contracts**	**Age at Purchase**					
			Individual Forms	**Group Forms**		**Under 45**	**45-54**	**55-64**	**65-74**	**75 and over**	**TOTAL**
GRAND TOTALS FOR 12/31/10			**342**	**37**	**303,326**	**58,307**	**104,180**	**174,992**	**89,895**	**16,759**	**444,133**
GRAND TOTALS FOR 12/31/08			**296**	**38**	**286,001**	**40,037**	**86,928**	**158,416**	**85,280**	**14,323**	**384,984**
Percentage Change from 12/31/08			**16%**	**-3%**	**6%**	**46%**	**20%**	**10%**	**5%**	**17%**	**15%**

APPENDIX 2

TOTAL IN-FORCE LONG TERM CARE POLICIES WITH MARKET SHARE
As of December 31, 2010

Insurer	Non-Partnership	Partnership	Total Insureds	% of Market
Aetna Life Insurance Company*	5,178	0	5,178	1.17%
Allianz Life Insurance Co. of New York*	1,108	0	1,108	0.25%
American Family Life Assur. of NY*	273	4	277	0.06%
American Independent Network Ins. Co.*	1,651	0	1,651	0.37%
American International Life Assurance*	500	0	500	0.11%
American Progressive Life and Health*	2,076	102	2,178	0.49%
Aviva Life* *(prev. John Alden)*	140	363	503	0.11%
Bankers Conseco Life Ins. Co.	2,929	1,258	4,187	0.94%
Berkshire Life Ins. Co. of America	2,682	0	2,682	0.60%
CIGNA Life* *(prev. Conn. General)*	154	0	154	0.03%
Combined Life Insurance Co. of NY*	114	0	114	0.03%
Continental Casualty Company	20,361	6,649	27,010	6.08%
First United American Life Insurance Co.*	65	0	65	0.01%
First Unum Life Insurance Company	37,451	0	37,451	8.43%
Genworth Life Insurance Co.of NY	54,140	19,293	73,433	16.53%
Hartford Life Insurance Company*	8	0	8	0.00%
John Hancock Life & Health Insurance Co.	42,397	19,230	61,627	13.88%
John Hancock Life Insurance Co. (U.S.A.)*	16,403	0	16,403	3.69%
Knights of Columbus	831	0	831	0.19%
Massachusetts Mutual Life Ins. Co.	3,844	110	3,954	0.89%
MedAmerica Insurance Co.of NY	15,352	6,925	22,277	5.02%
MetLife Ins. Co. of CT* *(prev. Travelers)*	21,171	6,292	27,463	6.18%
Metropolitan Life Insurance Company*	86,041	6,835	92,876	20.91%
Mutual of Omaha	1,955	109	2,064	0.46%
New York Life Insurance Company	8,604	148	8,752	1.97%
Northwestern Long Term Care Ins. Co.	5,669	0	5,669	1.28%
Prudential Insurance Co.of America	26,050	134	26,184	5.90%
RiverSource Life Ins.of NY* *(prev. IDS)*	7,197	0	7,197	1.62%
State Farm Mutual Autom. Ins. Co.	1,624	0	1,624	0.37%
TIAA-Cref Life* and TIAA of America*	5,181	54	5,235	1.18%
Thrivent Financial* *(prev. Aid Assn)*	300	0	300	0.07%
Transamerica Financial *(incl.AUSA)*	152	20	172	0.04%
Union Security Life* *(prev. First Fortis)*	3,067	1,939	5,006	1.13%
GRAND TOTALS	374,668	69,465	444,133	100.00%

* Not currently marketing in New York