



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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NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Benjamin M. Lawsby
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. Lawsby
Superintendent of Financial Services

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EXECUTIVE SUMMARY

Purpose of this Report

Pursuant to Insurance Law Section 1117, 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 predecessor agency to the New York Department of Financial Services (DFS), the New York Insurance Department (Insurance Department), approved the first long term care plans in 1986. For the past two decades, the number of insurers offering such coverage has remained steady. Currently, eleven insurers write individual long term care policies and four insurers write group long term care policies in New York. The total enrollment in long term care insurance policies continues to increase modestly. As of December 31, 2012, there were 359,071 persons enrolled in non-Partnership policies and 74,422 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 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. The New York State Partnership for Long Term Care program is different from other states' Partnership programs, which have been established under the federal Deficit Reduction Act of 2005 (DRA). The New York program, the first of its kind in the nation, 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 passed a law 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 passed a law 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 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

Legislature extended the tax credit in 2002 to New York 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 increased from 10% to 20% of premiums.

To further encourage the purchase of long term care insurance, New York in 2002 enacted the New York Public Employee and Retiree Long Term Care Insurance Plan (NYPERL). 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. After that 2005 promulgation, two product designs provided dollar for dollar asset protection and two product designs provided total asset protection.

Legislation enacted in 2004 required the 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 Insurance 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. 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/ltrcpt05.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, DFS promulgated the Forty-Third Amendment to Regulation 62, establishing an internal appeal process for long term care insurance. The internal appeal procedure permits an insured to request a review by the insurer of a claim denial for payment of benefits under the policy.

On June 1, 2012, in accordance with the findings of Governor Andrew M. Cuomo's Medicaid Re-Design Team, DFS promulgated the Third Amendment to Regulation 144. The amendment makes the New York State Partnership program more affordable by establishing a new 3.5% annual compound inflation benefit option and by establishing a lower cost minimum Partnership insurance plan design that enables the insured to protect all assets upon Medicaid eligibility. The amendment also makes the New York State Partnership program more marketable by requiring consumer protections for New York State Partnership insureds when those insureds move from New York and might become eligible for asset protection under another state's Medicaid program.

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.

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. It has developed into a viable product that provides asset protection and peace of mind to consumers.

To further encourage the development and purchase of such policies, DFS makes the following recommendations:

- DFS, the New York Department of Health, and the New York Office for the Aging should continue efforts to encourage the purchase of long term care policies qualifying under the New York State Partnership for Long Term Care Program; and
- 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.

Further, DFS will:

- 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;
- Regularly 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 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. In pertinent part, the law, provides 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."

General Background

The Insurance Department first approved long term care insurance plans in 1986. In 1991, the Insurance 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 regulations took effect on January 1, 1992.

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 Insurance Department established four categories of insurance policies providing long term care type benefits:

1. Long Term Care Insurance provides 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 (i.e., 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; and
 - 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 provides 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 provides 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 provides at least 12 months of coverage for custodial care services of at least \$25 per day in a private home.

For all categories, the Insurance Department mandated other benefits as well:

- 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; and
- 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.

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. That number has remained steady, and currently eleven insurers write individual and four insurers write group long term care insurance in New York State. (See page 11 for details.)

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”) in 1993. The Partnership Program originally provided that New York 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 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 Insurance Department promulgated a 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 long term care policies now offered 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.

DFS working closely with the Department of Health, State Office for the Aging and participating insurers, promulgated a Third Amendment to Regulation 144 on June 1, 2012, to reflect proposals recommended by Governor Andrew M. Cuomo's Medicaid Re-Design Team. The Third Amendment modifies the inflation protection benefit for all plan designs and adds 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 also adds consumer disclosures relating to reciprocity, where a Partnership insured may access Medicaid Extended Coverage in another state.

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

- A lifetime maximum nursing home benefit of at least 1½ or 2 years providing coverage of all levels of care in a nursing home of at least \$265 per day for 2013, and increasing by at least 3.5% (with an insured option to choose 5%) compounded annually (known as the 1.5/3/50 and 2/4/50 plans respectively). If the policy is purchased at age 80 or older, the 3.5% or 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 (\$133 per day in 2013) 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 (\$265 for 2013) 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 \$265 for 2013 and increasing by at least 3.5% (with an insured option to choose 5%) compounded annually. If the policy is purchased at age 80 or older, the 3.5% or 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 plans providing dollar for dollar asset protection cannot exceed 60 days, and waiting periods for the 2 or 4 year plans providing total asset protection cannot exceed 100 days. Certain other optional benefits are available depending on the plan chosen.

Total asset protection is now available with Partnership policies providing 2 or 4 years of benefits. Upon exhaustion of the benefits in the 2 or 4 year total asset plan designs, the insured is able to apply for Medicaid and protect all of their assets. Dollar for dollar 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. The original 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, 83% of the total market for long term care insurance is non-Partnership policies and 17% is Partnership policies.

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

Tax Incentives

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 2013, benefits received under "qualified" policies that pay on an indemnity basis are excludable from income as long as the benefit payments do not exceed \$320 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 2013.

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	\$360
41 to 50	\$680
51 to 60	\$1,360
61 to 70	\$3,640
71 & Over	\$4,550

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 meets 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 has also encouraged the purchase of long term care insurance by enacting legislation that provides favorable state income tax treatment for those persons purchasing long term care policies that qualify for the federal income tax deduction. Under a 1997 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 its 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, a 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, legislation was passed increasing the tax credit for long term care insurance premiums from 10% to 20% for taxable years beginning in 2004.

Thus, a New York State resident who pays \$2,000 in premiums for a tax qualified long term care insurance policy in taxable year 2013 would receive a New York State income tax credit in the amount of \$400 on his/her 2013 New York State income tax return. This \$400 tax credit reduces the amount of income tax owed to New York State by \$400.

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 allows 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:

- Streamlines the approval process for residential health care facility beds and licensed home care service agencies operated as part of a CCRC;
- Establishes 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;
- Makes the long term care security demonstration program (the Partnership Program) permanent; and
- Permits 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:

<u>Name</u>	<u>County</u>	<u>Living Facilities</u>
The Amsterdam at Harborside 300 East Overlook Port Washington, NY 11050 800-824-0166 www.theamsterdamatharborside.com	Nassau	Independent living units, enriched housing units, nursing home beds
Canterbury Woods 705 Renaissance Dr. Williamsville, New York 14221 716-929-5817 www.canterburywoods.org/home.html	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, enriched 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

<p>Jefferson's Ferry 1 Jefferson Ferry Drive S. Setauket, NY 11720-9800 888-233-1330 www.jeffersonsferry.org</p>	Suffolk	Independent living units, enriched housing units, nursing home beds
<p>Kendal on Hudson 1010 Kendal Way Sleepy Hollow, NY 10591 914-922-1000 www.kohud.kendal.org</p>	Westchester	Independent living units, enriched housing units, nursing home beds
<p>Kendal at Ithaca 2230 N. Triphammer Road Ithaca, NY 14850 800-253-6325 www.kai.kendal.org</p>	Tompkins	Independent living units, enriched housing units, nursing home beds
<p>Peconic Landing at Southold, Inc. 1500 Brecknock Road Greenport, NY 11944 888-273-2664 www.peconiclanding.org</p>	Suffolk	Independent living units, enriched housing units, nursing home beds
<p>Summit at Brighton 2000 Summit Circle Drive Rochester, NY 14618 585-442-9909 www.summitbrighton.org</p>	Monroe	Independent living units, enriched housing units, nursing home beds
<p>Westchester Meadows 55 Grasslands Road Valhalla, New York 10595 914-989-7800 www.westchestermeadows.org</p>	Westchester	Independent living units, enriched housing units, nursing home beds
<p>Woodland Pond at New Paltz 100 Woodland Pond Circle New Paltz, NY 12561 877-505-9800 www.wpatnp.org</p>	Ulster	Independent living units, enriched housing units, nursing home beds

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

In 2005, the Insurance Department promulgated an amendment to Regulation 143 that allows insurers to offer consumers the option of accelerating the death benefit under a 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 federal 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. DFS has received a few inquiries from insurers expressing interest in offering a combination annuity/long term care insurance product. To date, DFS has approved one combination annuity/long term care insurance product.

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 New York 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, 2012, NYPERL had 4,540 enrollees, of which 3,296 selected the non-Partnership policy and 1,244 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 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 issues including, but not limited to affordability, the adequacy of benefits, the underwriting process, and dispute resolution.

The Insurance Department's first step in completing this legislative mandate was to compile a survey, 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 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/ltrcpt05.pdf>.

Authorized Long Term Care Insurers

Insurers continue to offer a variety of benefit packages in connection with long term care coverage. The following chart identifies the insurers currently offering products to New Yorkers:

Insurer	Individual						Group		
	TQ	LTC	NHO	NH & HC	HCO	P	NP	P	TQ
Bankers Conseco Life Ins. Co.	X	X		X	X				
Continental Casualty Company							X		X
Genworth Life Ins. Co. of NY	X	X		X		X	X		X
John Hancock Life & Health Ins. Co.	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. Co.	X	X							
State Farm Mutual Automobile Ins.	X	X							
Transamerica Financial Life Insurance	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

In 2001, twenty-eight insurers were marketing policies covering long term care services in New York. Currently, twelve insurers are doing so. But while the number of insurers is down since 2001, the number of enrollees has modestly increased. The decrease in the number of insurers is not unique to New York State and is, in fact, 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, previous biennial 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; and
- Marketing Concerns.

Consumer Awareness

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 DFS. 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. And various other vendors have received approval from the DFS to conduct continuing education courses regarding long term care insurance.

- *Consumer Awareness Campaigns/Seminars*

Consumer campaigns and seminars have also raised 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 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 about 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, for example, 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 undertook its own statewide media campaign in 2008, using the slogan “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 about long term care insurance plans. DFS’s website offers information on long term care insurance, including a sample premium rate calculator with Partnership and non-Partnership options. DFS 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. 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 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 a consumer should buy long term care insurance, as well as worksheets to assist consumers in obtaining information about the availability and cost of long term care services, advice about 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 developed videos to educate consumers about 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 published a report in 2012 entitled "Beyond Dollars: The True Impact of Long Term Caring". This report documents the effects of long term care on jobs, careers, savings and family relationships.

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

Both federal and New York State laws provide for favorable tax treatment for the purchase of qualified long term care insurance policies. Insurers have indicated that the New York State tax credit has a larger impact on promoting long term care insurance purchases than the more limited favorable federal tax deduction. Insurers also believe 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 feel that the favorable tax treatment sends a positive message to consumers. Many insurers have informed DFS that the federal tax incentives are so limited as to have no effect on sales. Still, 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.

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 affects fewer 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 long term care coverage. Insurers believe 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 to DFS that the New York State tax credit is an important incentive to the sale of long term care coverage. 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 educate their agents about the New York State tax credit, who in turn provide the information to consumers during marketing or sale. However, some insurers feel 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 have been unable to isolate the effectiveness of such incentives on sales. But overall, insurers view the New York income tax credit as a useful tool in the marketing of long term care insurance.

- *Consumer Awareness of Medicaid Estate Planning*

Insurers believe that to some extent, Medicaid estate planning is an impediment to the development of long term care insurance in New York. Generally, assets of a Medicaid

applicant and his/her spouse (if married) are considered for Medicaid eligibility purposes. Medicaid estate planning involves the transferring or sheltering of those assets in order to access Medicaid for coverage of the consumer’s long term care needs. This transferring or sheltering of a consumer’s assets allows a consumer to meet the asset test for Medicaid eligibility and receive long term care services without having to “spend down” their assets prior to becoming Medicaid eligible. Many consumers see the use of Medicaid estate planning as a viable alternative to purchasing long term care insurance for their long term care needs.

- *Marketing in New York Compared to Other States*

A number of insurers reported to DFS that New York consumers are more informed about the need for such coverage than are 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
Continental Casualty	No reportable differences among states.
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 2012, representing 7% of sales. As of year to date 2012, New York is the third 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. 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.
Knights of Columbus	No different marketing trends among states.
Mass Mutual	Our product is marketed in all jurisdictions excluding Missouri and Washington. 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.
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

Insurer	Response
	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.
State Farm	Success is relatively similar to others states.

Data Needs and Services

Since long term care policies have been sold for about 27 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.

Underwriting and Policy Design

Underwriting controls in the writing of long term care policies and policy design are important issues. 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. Under NYPERL, the long term care plan for New York State employees and their families, long term care coverage is 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 impose such limitations for conditions not disclosed on the application itself. 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 (namely, 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. But there are many different kinds of long term care products offered in New York. For instance:

- Bankers Consec 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 provide policies that automatically include a Guaranteed Purchase Option if the insured does not elect either simple or compound inflation protection at time of application;
- Continental Casualty Company (CNA) allows 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;
- Genworth Life Insurance Company of New York has products in New York that provide some level of international home care, a small cash benefit, the choice of service or calendar days for the elimination period and a caregiver support training program that is available to policyholders and their families;
- John Hancock Life & Health Insurance Company offers unlimited automatic inflation coverage linked to the consumer price index and other inflation coverage options such as to age 75 inflation protection and Benefit Builder inflation protection. The company also offers caregiver support services that provide policyholders and their families access to advice, resources, provider quality reports and discounts;
- MassMutual offers a number of competitive features including: flexible policy design that optimizes customization, share care benefit, third-party ownership, Alternative Plan of Care coverage, and care coordination, either self-directed or assisted;
- MedAmerica Insurance Company of New York offers a 100% cash long term care insurance product, which enables the policyholder to have complete control over the type of care that they receive. The product gives an immense amount of policyholder choice;
- Mutual of Omaha offers several less expensive inflation options, shared care and benefits to help keep insureds at home such as cash benefits and home care waiver of elimination period;
- 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; and
- Northwestern Long Term Care Insurance Company offers a survivorship benefit that allows the insureds’ policies to be “paid up” if a 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.

Regulatory Environment

DFS 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. In order to assist insurers in submitting long term care products to DFS for approval and in order to expedite the approval of the policies, DFS has developed product outlines and checklists 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.

DFS has 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 DFS for inquiries on the program. As discussed elsewhere in this report, DFS has worked with the Department of Health to modernize the benefits under the Partnership program in order to make them more marketable in the current environment, and the agencies continue to work closely together to jointly develop and implement changes to the Partnership Program.

Marketing Concerns

Insurers find the sale of long term care policies to be a challenge. Many insurers cite 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. With the economic downturn that started in September 2008, the economy has, in insurers' estimation, impeded the sale of long term care insurance.

Insurers 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 have been less successful in marketing long term care policies qualifying under the Partnership than in marketing 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 more non-Partnership than Partnership certificates in New York State in the group market. The company believes that the primary barrier to marketing Partnership plans is the requirement to offer a core plan including automatic compound inflation protection.

A few Partnership insurers highlighted their favorable experience with the New York Partnership for Long Term Care Program. Genworth stated that the promotional efforts undertaken in New York are a "best practice" for other states. 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, DFS offers the following recommendations:

- DFS, the New York Department of Health, and the New York Office for the Aging should continue efforts to encourage the purchase of long term care policies qualifying under the New York State Partnership for Long Term Care Program; and
- 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.

Further, DFS will:

- 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;
- Regularly 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 with regard to the marketing of long term care insurance.

APPENDIX 1

**Total In-Force Long Term Care Policies With Market Share
As of December 31, 2012**

			Total	% of
Insurer	Non-Partnership	Partnership	Insureds	Market
Aetna Life Insurance Company*	4,686	0	4,686	1.08%
Allianz Life Insurance Co. of New York*	1,073	0	1,073	0.25%
American Family Life Assur. of NY*	229	2	231	0.05%
American Independent Network Ins.*	1,431	0	1,431	0.33%
American International Life Assurance*	443	0	443	0.10%
American Progressive Life and Health*	1,747	88	1,835	0.42%
Aviva Life* (prev. John Alden)	135	337	472	0.11%
Bankers Consecro (prev. Consecro)	3,151	1,087	4,238	0.98%
Berkshire Life Ins. Co. of America*	3,180	0	3,180	0.73%
CIGNA Life (prev. Conn. General)*	146	0	146	0.03%
Combined Life Insurance Co. of NY*	114	0	114	0.03%
Continental Casualty Company	19,498	6,649	26,147	6.03%
First United American*	52	0	52	0.01%
First Unum Life Insurance Company*	39,291	0	39,291	9.06%
Genworth Life Insurance Co. of NY	58,259	23,623	81,882	18.89%
Hartford Life Insurance Company*	7	0	7	0.00%
John Hancock Life Insurance Co. (U.S.A.)	17,505	1,830	19,335	4.46%
John Hancock Life & Health Insurance Co.	40,959	18,316	59,275	13.67%
Knights of Columbus	935	0	935	0.22%
Massachusetts Mutual Life Ins. Co.	5,161	255	5,416	1.25%
MedAmerica Insurance Co. of NY	15,365	7,360	22,725	5.24%
MetLife Ins. Co. of CT* (prev. Travelers)	20,328	6,044	26,372	6.08%
Metropolitan Life Insurance Company*	59,982	6,553	66,535	15.35%
Mutual of Omaha	4,033	89	4,122	0.95%
New York Life Insurance Company	9,967	190	10,157	2.34%
Northwestern Long Term Care Ins. Co.	7,731	0	7,731	1.78%
Prudential Insurance Co. of America*	30,000	130	30,130	6.95%
RiverSource Life Ins. of NY* (prev. IDS)	6,750	0	6,750	1.56%
State Farm Mutual Autom. Ins. Co.	1,716	0	1,716	0.40%
TIAA-Cref Life* and TIAA of America*	1,405	49	1,454	0.34%
Thrivent Financial* (prev. Aid Assn)	294	0	294	0.07%
Transamerica Financial (incl. AUSA)	553	20	573	0.13%
Union Security Life* (prev. First Fortis)	2,945	1,800	4,745	1.09%
GRAND TOTALS	359,071	74,422	433,493	100.00%
* Not currently marketing in New York				

APPENDIX 2

**Number of Non-Partnership Long Term Care Policies In-Force
in New York as of December 31, 2012**

Insurer	Policy					No. of Persons Covered in NY					
	Form Number	Date of New York Approval	Type of Coverage		No. of Contracts in NY	Age Group at Purchase					
			Individual	Group		Under 45	45-54	55-64	65-74	75 and over	TOTAL
Aetna Life Insurance Company*	GR-700	12/14/1994		X	55	2,017	1,312	1,052	290	15	4,686
	TOTALS		0	1	55	2,017	1,312	1,052	290	15	4,686
Allianz Life Insurance Company of New York*	GSC-1880-PL	3/26/1993		X	5	0	0	0	0	5	5
	10-PS-Q-NY	10/3/2005	X		1,068	16	135	567	284	66	1,068
	TOTALS		1	1	1,073	16	135	567	284	71	1,073
American Family Life Assurance of New York*	NY-20000	3/15/1991	X		2	0	0	1	1	0	2
	NY-21000	1/21/1992	X		43	0	3	11	27	2	43
	NY-22000	1/21/1992	X		23	0	0	2	16	5	23
	NY-2600	6/14/1995	X		0	0	0	0	0	0	0
	NY-27000	9/16/2002	X		127	34	77	49	1	0	161
	TOTALS		5	0	195	34	80	63	45	7	229
American Independent Network Insurance Company of New York*	PF2600NY	10/28/1998	X		439	3	56	161	197	22	439
	ALP1(NY)	10/12/1999	X		41	0	1	9	19	12	41
	ALP2(NY)	10/12/1999	X		7	0	2	2	3	0	7
	ALP1(NY)-TQ	10/21/1999	X		40	0	3	11	18	8	40
	ALP2(NY)-TQ	10/21/1999	X		21	0	3	7	10	1	21
	IL4-1(NY)	2/15/2000	X		484	2	23	89	239	131	484
	IL4-2(NY)	2/15/2000	X		22	0	5	5	9	3	22
	IL4-1-TQ(NY)	2/25/2000	X		154	0	4	32	63	55	154
	IL4-2-TQ(NY)	2/25/2000	X		17	0	3	2	6	6	17
	LTCTP6500NY-AI	10/4/2000	X		126	2	11	46	60	7	126
	PF3(NY)	7/19/2005	X		2	0	0	2	0	0	2
	PF3-TQ(NY)	7/19/2005	X		71	0	8	39	21	3	71
	SR2-1-AI(NY)	6/12/2008	X		3	0	1	0	1	1	3
SR2-2-AI(NY)	6/12/2008	X		4	0	0	3	1	0	4	

		TOTALS		14	0	1,431	7	120	408	647	249	1,431
The United States Life Insurance Company In The City Of New York (American International Life Assurance Company of New York)*	64391-NY Non-TQ	7/14/1998	X		229	5	32	105	72	15	229	
	64391-NYTQ	7/14/1998	X		214	2	18	125	56	13	214	
	TOTALS		2	0	443	7	50	230	128	28	443	
American Progressive Life and Health Insurance Company of New York*	ANH-86	6/8/1995	X		15	0	2	4	11	1	18	
	HHC-800	3/1/1995	X		271	0	4	58	154	55	271	
	NHHH-700	7/1/1996	X		60	0	6	24	21	9	60	
	NHO-700	7/1/1996	X		29	0	0	7	16	6	29	
	CERT-HHC	7/1/1997	X		28	0	0	3	16	9	28	
	CERT-NHHH	7/1/1997	X		4	0	1	1	1	1	4	
	CERT-NHO	7/1/1997	X		3	0	0	2	0	1	3	
	QC-HHC	7/1/1997	X		17	0	0	2	11	4	17	
	QI-HHC	7/1/1997	X		161	0	3	32	92	34	161	
	QI-NHHH	7/1/1997	X		34	0	3	9	19	3	34	
	QI-NHO	7/1/1997	X		34	0	0	8	22	4	34	
	HHC 1/98	1/1/1998	X		830	1	20	119	454	236	830	
	APRLTNQ (3/99) NY	6/30/1999	X		49	4	4	21	15	5	49	
	APRLTCQ (3/99) NY	6/30/1999	X		92	9	18	21	41	3	92	
	PR-NHO	10/1/2000	X		43	0	4	21	17	1	43	
	PR-NHOQ	10/1/2000	X		74	0	13	36	22	3	74	
TOTALS		16	0	1,744	14	78	368	912	375	1,747		
Aviva Life & Annuity Company of New York (prev. John Alden)*	NY-5762-P	2/27/1995	X		113	5	28	49	28	3	113	
	NY-5762-P(Q)	2/27/1995	X		22	1	10	8	3	0	22	
	TOTALS		2	0	135	6	38	57	31	3	135	
Bankers Consecro Life Insurance Company (prev. Consecro)	ATIC-LTC-10-NY	10/8/1996	X		19	0	1	6	10	3	20	
	ATIC-LTC-6-NY	1/13/1997	X		300	3	25	159	175	14	376	
	ATIC-LTC-6B-NY	5/31/1997	X		104	0	6	47	59	6	118	
	ATIC-FQ-LTC-NY	3/4/1998	X		1108	11	210	531	568	113	1,433	

	BLNY-GR-N520	4/28/2006	X		26	0	1	10	20	3	34
	BLNY-GR-N540	4/28/2006	X		2	0	0	2	0	0	2
	BLNY-GR-N550	4/28/2008	X		186	11	31	87	94	8	231
	BLNY-GR-N500	9/12/2007	X		737	1	28	238	470	120	857
	BLNY-GR-N620	5/18/2011	X		11	0	0	8	3	0	11
	BLNY-GR-N640	5/18/2011	X		5	0	0	0	4	1	5
	BLNT-GR-N650	5/18/2011	X		64	6	15	18	23	2	64
	TOTALS		11	0	2,562	32	317	1,106	1,426	270	3,151
Berkshire Life Insurance Company of America*	BGO1P(06/04)-NY	3/30/2004	X		1,153	189	737	772	134	6	1,838
	BGO2P(06/04)-NY	3/30/2004	X		7	0	1	7	0	0	8
	BGO3P(06/04)-NY	3/30/2004	X		358	140	200	229	26	1	596
	BGO4P(06/04)-NY	3/30/2004	X		0	0	0	0	0	0	0
	BGO5P(06/04)-NY	3/30/2004	X		45	46	21	14	3	0	84
	BGO6P(06/04)-NY	3/30/2004	X		1	1	0	0	0	0	1
	BGO1P(01/09)-NY	4/15/2010	X		361	59	172	278	38	4	551
	BGO2P(01/09)-NY	4/15/2010	X		0	0	0	0	0	0	0
	BGO3P(01/09)-NY	4/15/2010	X		62	28	31	30	3	0	92
	BGO4P(01/09)-NY	4/15/2010	X		2	2	0	0	0	0	2
	BGO5P(01/09)-NY	4/15/2010	X		5	1	4	3	0	0	8
	BGO6P(01/09)-NY	4/15/2010	X		0	0	0	0	0	0	0
		TOTALS		12	0	1,994	466	1,166	1,333	204	11
CIGNA Life Ins Co of NY (prev. Ct Gen)*	TL-001445	4/20/1990		X	1	0	17	57	70	2	146
	TOTALS		0	1	1	0	17	57	70	2	146
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		272	0	5	139	80	1	225
	P1-15203-A31	12/13/1991	X		868	7	224	402	222	13	868
	P1-16356-A31	12/13/1991	X		43	0	21	22	0	0	43
	P1-18876-A31	5/4/1995	X		183	3	31	68	69	12	183
	P1-18878-A31	5/4/1995	X		4	0	1	2	1	0	4
	P1-21295-A31	5/19/1995	X		352	6	50	168	111	17	352
	P1-21300-A31	5/19/1995	X		711	18	159	344	182	8	711
	P1-21305-A31	5/19/1995	X		9	1	0	5	3	0	9
	P1-N0022-A31	2/28/1997	X		912	8	121	407	327	49	912
	P1-N0023-A31	2/28/1997	X		2	0	0	0	2	0	2
	P1-N0026-A31	2/28/1997	X		2,064	37	390	1,008	575	54	2,064
	P1-N0027-A31	2/28/1997	X		10	1	5	3	1	0	10

	P1-N0030-A31	2/28/1997	X		24	0	5	10	8	1	24
	P1-N0034-A31	2/11/1997	X		78	1	6	38	27	6	78
	P1-N0075-A31	5/27/1999	X		2	0	0	1	1	0	2
	P1-N0080-A31	5/27/1999	X		12	2	0	5	5	0	12
	P1-N0081-A31	5/27/1999	X		1	0	0	1	0	0	1
	P1-N0085-A31	5/27/1999	X		91	2	13	44	29	3	91
	P1-N0086-A31	5/27/1999	X		2	0	0	0	44	29	73
	P1-N0090-A31	5/27/1999	X		30	0	3	14	12	1	30
	P1-N0091-A31	5/27/1999	X		1	0	0	1	0	0	1
	P1-N0095-A31	5/27/1999	X		488	2	80	240	126	40	488
	P1-N0100-A31	5/27/1999	X		3,853	109	1,041	1,963	686	54	3,853
	P1-N0101-A31	5/27/1999	X		6	0	3	3	0	0	6
	SR-LTCP-31	9/16/1992		X	48	2,845	2,991	1,701	351	25	7,913
	GLTC-3-P-NY-01	3/5/2003		X	6	344	588	544	61	6	1,543
	TOTALS		24	2	10,072	3,386	5,737	7,133	2,923	319	19,498
First United American Life Insurance Company*	NYNH2	1/31/1989	X		6	0	1	3	2	0	6
	NYNH3	1/31/1989	X		46	0	2	19	24	1	46
	TOTALS		2	0	52	0	3	22	26	1	52
First Unum Life Insurance Company*	LTC5092	1/29/1993	X		2	0	0	2	0	0	2
	LTC5192	1/29/1993	X		13	2	6	5	0	0	13
	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		59	12	10	18	14	5	59
	NH94	12/30/1994	X		948	37	209	414	258	30	948
	NH94FQ	10/23/1997	X		2,957	581	1,048	1,006	272	50	2,957
	NH94Q	10/23/1997	X		15,658	796	4,305	7,518	2,663	376	15,658
	LTC03	10/21/2003	X		1	0	0	1	0	0	1
	LTCP03	10/21/2003	X		519	29	145	268	68	9	519
	LTCP03F	10/21/2003	X		350	143	120	77	10	0	350
	LTCT03	10/21/2003	X		97	19	34	31	11	2	97
	LTCT03F	10/21/2003	X		114	40	38	29	7	0	114
	RLTCP03	10/21/2003	X		524	11	158	287	61	7	524
	RLTCP03F	10/21/2003	X		139	18	63	48	9	1	139
	B.LTC	8/2/1990		X	118	5,365	2,407	1,208	156	15	9,151
	GLTC04	2/28/2005		X	211	4,020	2,729	1,656	310	32	8,747

		TOTALS		16	2	21,722	11,075	11,278	12,572	3,839	527	39,291
Genworth Life Insurance Company of New York	50100	1/31/1996	X		793	0	49	394	331	19	793	
	5000	1/31/1996	X		57	0	2	36	19	0	57	
	50107	1/31/1996	X		1,677	13	160	674	758	72	1,677	
	51000	1/31/1996	X		159	2	3	52	76	26	159	
	50110	1/31/1996	X		1,673	11	123	564	841	134	1,673	
	51002	1/31/1996	X		3,322	9	188	1,172	1,580	373	3,322	
	51005	11/25/1998	X		10,197	111	1,281	4,800	3,328	677	10,197	
	51006	12/15/1998	X		413	1	18	112	188	94	413	
	51007	9/28/1998	X		122	0	10	45	42	25	122	
	51010	2/12/2001	X		18,398	466	4,689	9,102	3,434	707	18,398	
	51012	9/9/2004	X		3,063	68	612	1,589	700	94	3,063	
	51014	9/9/2004	X		5,241	190	1,412	2,932	674	33	5,241	
	7048NY	5/25/2007	X		17	0	0	13	4	0	17	
	51012-REV	9/21/2007	X		2,251	48	360	1,215	579	49	2,251	
	51014-REV	9/21/2007	X		3,653	90	991	2,047	510	15	3,653	
	51009	7/12/199		X	4,632	1,820	972	808	842	190	4,632	
	7046 POL-NY	12/6/2006		X	717	179	264	218	55	1	717	
	7050 POL-NY	5/21/2009		X	305	82	89	109	21	4	305	
	7052NY	10/6/2011	X		1,569	66	442	753	295	13	1,569	
TOTALS			16	3	58,259	3,156	11,665	26,635	14,277	2,526	58,259	
Hartford Life Insurance Company*	SRP-1353	1/28/1999		X	0	0	0	5	2	0	7	
	TOTALS		0	1	0	0	0	5	2	0	7	
John Hancock Life & Health Insurance Company	BSC-02 NY	4/19/2002	X		408	4	47	203	118	36	408	
	BSC-03 NY	11/14/2003	X		342	6	51	183	83	19	342	
	LTC-02 NY	4/19/2002	X		6,852	201	1,595	3,513	1,368	175	6,852	
	LTC-03 NY	11/14/2003	X		9,657	288	2,050	5,004	2,070	245	9,657	
	LTC-06 NY	7/10/2006	X		462	26	138	226	67	5	462	
	LTC-11 NY	7/18/2011	X		359	22	90	173	65	9	359	
	LTC-87A	7/30/1987	X		40	6	4	21	9	0	40	
	LTC-88A NY	4/15/1988	X		20	0	2	10	8	0	20	
	LTC-88B NY	4/15/1988	X		735	36	172	399	128	0	735	
	LTC-90-NY	9/7/1990	X		155	16	39	69	30	1	155	
	LTC-94 NY	2/24/1994	X		2,443	40	422	1,052	840	89	2,443	
	LTC-96 NY 5/01	7/5/2001	X		761	19	95	348	256	43	761	
	LTC-96 NY 9/96	1/16/1997	X		10,873	127	1,305	4,866	4,062	513	10,873	

	LTC-96CL NY 9/96	1/16/1997	X		10	0	0	5	4	1	10	
	LTC-NY-91	12/31/1991	X		1,099	24	187	527	347	14	1,099	
	NH-94 NY	2/24/1994	X		28	1	3	9	11	4	28	
	NH-NY-91	12/31/1991	X		12	0	0	5	6	1	12	
	P-FACE(2009)	10/21/2008		X	8	170	216	167	22	0	575	
	SG-02 NY	4/19/2002	X		2,493	90	532	1,328	483	60	2,493	
	SG-03 NY	11/14/2003	X		3,101	154	712	1,553	625	57	3,101	
	SG-06 NY	7/10/2006	X		275	22	71	142	37	3	275	
	SGB-02 NY	4/19/2002	X		89	3	7	54	18	7	89	
	SGB-03 NY	11/14/2003	X		170	1	29	80	46	14	170	
	TOTALS		22	1	40,392	1,256	7,767	19,937	10,703	1,296	40,959	
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		5	0	1	3	1	0	5	
	NH-NY-91	12/31/1991	X		1	0	0	1	0	0	1	
	LTC-94 NY	2/24/1994	X		12	0	2	3	3	4	12	
	LTC-96 NY 9/96	1/16/1997	X		68	1	9	36	20	2	68	
	LTC-96 NY 5/01	7/5/2001	X		8	1	0	4	2	1	8	
	LTC-02 NY	4/19/2002	X		64	4	11	29	17	3	64	
	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		70	3	16	30	18	3	70	
	BSC-03 NY	11/14/2003	X		3	1	0	2	0	0	3	
	SG-03 NY	11/14/2003	X		24	0	9	6	6	3	24	
	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	135	510	536	148	5	1,334
	GPB-COV-002	7/30/1990			X	1	1,319	1,476	933	168	3	3,899
	GPB-COV0002.01	6/28/1996			X	28	1,345	1,405	988	156	6	3,900
	4062-NY	10/8/1998	X			167	1	21	67	57	21	167
	4063-NY	10/8/1998	X			2,778	20	449	1,540	711	58	2,778
	GPB-CRT-0001.16	12/24/1996			X	1	62	37	18	2	0	119
P-FACE(2002-2)	10/17/2002			X	48	963	1,400	1,304	437	130	4,234	
P-FACE(2004)	2/15/2006			X	18	292	279	200	14	0	785	
	TOTALS		19	6	3,331	4,151	5,633	5,716	1,765	240	17,505	
Knights of	LTC01-NY 6-99	10/18/2000	X		777	52	209	369	144	3	777	

Columbus	NHC01-NY 6-99	10/18/2000	X		158	7	38	79	33	1	158
	TOTALS			2	0	935	59	247	448	177	4
Massachusetts Mutual Life Insurance Company	MM-200-P-NY	7/28/2002	X		371	9	144	301	85	6	545
	MM-201-P-NY	7/28/2002	X		4	0	2	3	1	0	6
	MM-203-P-NY	7/28/2002	X		121	22	75	83	16	1	197
	MM-204-P-NY	7/28/2002	X		1	0	0	1	0	0	1
	MM-300-P-NY	3/13/2003	X		617	67	325	458	71	4	925
	MM-301-P-NY	3/13/2003	X		6	0	1	3	1	1	6
	MM-303-P-NY	3/13/2003	X		317	88	217	178	24	4	511
	MM-304-P-NY	3/13/2003	X		1	1	0	0	0	0	1
	MM-400-P-NY	4/8/2005	X		397	23	195	326	52	3	599
	MM-401-P-NY	4/8/2005	X		2	1	1	2	0	0	4
	MM-402-P-NY	4/8/2005	X		214	43	141	165	14	1	364
	MM-403-P-NY	4/8/2005	X		1	0	0	1	0	0	1
	MM500-P-NY	3/19/2008	X		1,322	69	362	687	192	12	1,322
	MM501-P-NY	3/19/2008	X		15	1	2	11	1	0	15
	MM502-P-NY	3/19/2008	X		409	66	143	167	32	1	409
	MM503-P-NY	3/19/2008	X		6	4	0	2	0	0	6
	MM504-P-NY	3/19/2008	X		11	6	2	3	0	0	11
	MM505-P-NY	3/19/2008	X		0	0	0	0	0	0	0
	MM-500-P-1-NY	1/30/2012	X		198	12	48	100	37	1	198
	MM-501-P-1-NY	1/30/2012	X		4	1	0	3	0	0	4
	MM-502-P-1-NY	1/30/2012	X		33	3	10	19	1	0	33
	MM-503-P-1-NY	1/30/2012	X		1	0	0	1	0	0	1
	MM-504-P-1-NY	1/30/2012	X		2	1	1	0	0	0	2
MM-505-P-1-NY	1/30/2012	X		0	0	0	0	0	0	0	
TOTALS			24	0	4,053	417	1,669	2,514	527	34	5,161
MedAmerica Insurance Company of New York	LTC89-CD1	4/18/1987	X		59	0	3	47	8	1	59
	LTC89-CD2	1/1/1989	X		453	123	137	136	54	3	453
	LTC89-CD3	4/18/1989	X		11	0	0	8	3	0	11
	LTC91-CD4-NY	7/1/1991	X		1342	15	87	634	574	32	1,342
	LTC-LBP-NY	9/23/1994	X		444	4	38	166	221	15	444
	LTC-CD8-NY	7/31/1995	X		205	2	14	86	83	20	205
	LTC-CD8-NY-REV1/1/97	1/29/1997	X		124	3	7	69	38	7	124
	LTC-LBP8-NY	7/31/1995	X		159	0	5	54	82	18	159
	LTC-LBP8-NY-REV1/1/97	1/29/1997	X		47	0	2	14	28	3	47
	LTC-CD10-NY	4/15/1997	X		1139	34	157	451	421	76	1,139
	LTC-CD10C-NY	4/16/1997	X		1	0	0	1	0	0	1

LTC-LBP10-NY	4/15/1997	X		136	1	1	24	79	31	136	
LTQ11-336-NY-998	3/22/2000	X		473	46	79	182	139	27	473	
LTQ11-336-NY-601	1/4/2002	X		620	40	165	288	107	20	620	
HTQ11-338-NY-998	3/23/2000	X		119	0	1	29	64	25	119	
HTQ11-338-NY-601	1/4/2002	X		375	1	23	131	165	55	375	
NTQ11-337-NY-998	3/23/2000	X		35	0	1	6	18	10	35	
NTQ11-337-NY-601	1/4/2002	X		30	0	0	6	17	7	30	
SPL-336NY	2/24/2002	X		1591	147	437	736	251	20	1,591	
FSPL-336NY	2/24/2002	X		444	99	190	141	14	0	444	
GSPL-336NY	2/24/2004	X		962	188	376	334	60	4	962	
SPL2-336-NY	3/14/2007	X		1215	144	318	529	201	23	1,215	
FSPL2-336-NY	3/14/2007	X		421	90	192	130	9	0	421	
GSPL2-336-NY	3/14/2007	X		462	63	183	192	22	2	462	
GRP11-342-NY-999	3/24/2000		X	9	211	165	95	13	0	484	
GRP11-342-NY-601	10/13/2001		X	21	138	198	111	10	1	458	
NYG11-342-NY-200	6/1/2001		X	1	582	1322	1153	220	19	3,296	
GRPSPL-342-NY	6/23/2005		X	4	118	82	47	5	0	252	
FC-336-NY	5/1/2012	X		5	0	1	1	2	1	5	
FRFC-336-NY	5/1/2012	X		2	2	0	0	0	0	2	
GFC-336-NY	5/1/2012	X		1	0	1	0	0	0	1	
TOTALS		27	4	10,910	2,051	4,185	5,801	2,908	420	15,365	
MetLife Insurance Company of Connecticut (prev. Travelers)*	LCT1	5/6/1989	X		11	0	2	7	2	0	11
	LCT2	3/18/1991	X		14,202	181	1,730	5,849	5,871	586	14,217
	LCT4	12/30/1997	X		6,100	100	997	2,937	1,853	213	6,100
	TOTALS		3	0	20,313	281	2,729	8,793	7,726	799	20,328
Metropolitan Life Insurance Company*	1LTC-97-NY (00)	5/25/1999	X		2211	1	35	361	990	824	2,211
	2LTC-97-NY (00)	5/25/1999	X		46	0	1	3	8	34	46
	LTC2007-NY	3/3/2009	X		479	27	67	184	155	46	479
	LTC-IDEAL-NY	8/9/2002	X		3023	73	173	1013	1403	361	3,023
	LTC-PREM-NY	8/28/2002	X		277	13	41	92	88	43	277
	LTC-VAL-NY	8/9/2002	X		1886	30	106	561	913	276	1,886
	LTC-FAC-NY	8/9/2002	X		47	1	2	20	22	2	47
	LTC2-IDEAL-NY	7/20/2005	X		1482	42	111	487	675	167	1,482
	LTC2-PREM-NY	7/20/2005	X		277	9	26	92	115	35	277
	LTC2-VAL-NY	7/20/2005	X		1998	40	158	697	877	226	1,998
	LTC2-FAC-NY	7/20/2005	X		19	0	2	6	10	1	19

LTC2007-ML-NY	6/5/2009	X		104	6	16	47	26	9	104
LTC-IDEAL-ML-NY	11/25/2002	X		383	7	32	146	154	44	383
LTC-PREM-ML-NY	11/25/2002	X		40	2	5	13	15	5	40
LTC-VAL-ML-NY	11/25/2002	X		413	13	39	131	187	43	413
LTC-FAC-ML-NY	11/25/2002	X		3	0	0	1	1	1	3
LTC2-IDEAL-ML-NY	9/6/2005	X		798	24	64	311	333	66	798
LTC2-PREM-ML-NY	9/6/2005	X		172	7	20	67	62	16	172
LTC2-VAL-ML-NY	9/6/2005	X		1135	63	119	405	460	88	1,135
LTC2-FAC-ML-NY	9/6/2005	X		7	0	4	1	1	1	7
LTC.02	12/23/1991	X		719	0	1	18	110	590	719
LTC.03	3/31/1999	X		1334	1	1	29	319	984	1,334
TCL-LTC.04 (NY)	3/21/2000	X		1318	0	16	105	527	670	1,318
G.24190	1/1/1997		X	231	2	31	61	67	70	231
G.24219	12/7/1994		X	9	0	1	2	4	2	9
G.LTC197	11/8/2002		X	17763	711	1957	4376	5934	4785	17,763
G.LTC2097	11/8/2002		X	1715	39	194	529	628	325	1,715
G.LTC6997	2/27/2003		X	24	0	3	6	12	3	24
G.LTC2095	N/A		X	14	0	2	4	3	5	14
G.LTC5098	10/5/1998		X	38	1	7	13	17	0	38
G.LTC5798	3/17/1999		X	4	0	0	1	1	2	4
GPNP99-LTC	1/1/2001		X	21928	1122	3375	8076	6560	2795	21,928
GPNP99-LTC-CA01	5/28/2002		X	85	10	14	45	14	2	85
TOTALS		23	10	59,982	2,244	6,623	17,903	20,691	12,521	59,982
Mutual of Omaha	NH3	12/10/1984	X	5	0	0	0	4	1	5
	NH11	1/28/1988	X	17	0	2	11	3	1	17
	NH27	2/3/1989	X	36	6	6	11	13	0	36
	NH28	2/3/1989	X	19	1	2	8	8	0	19
	LTC12	4/28/1993	X	99	1	9	49	38	2	99
	LTC17	4/28/1993	X	46	5	10	23	7	1	46
	LTI12	4/28/1993	X	2	0	0	1	1	0	2
	LTM12	4/28/1993	X	8	1	2	3	2	0	8
	NH50	4/17/1998	X	15	0	1	6	7	1	15
	LT50	5/12/1998	X	234	11	41	91	80	11	234
	HCA	6/22/2000	X	25	1	6	6	10	2	25
	HCAQ	6/22/2000	X	84	2	10	29	36	7	84
	LTA	6/22/2000	X	25	1	6	11	7	0	25
	LTAQ	6/22/2000	X	184	8	59	90	24	3	184
	NHA	6/22/2000	X	56	2	12	25	16	1	56

	NHAQ	6/22/2000	X		304	10	80	152	49	13	304
	LTC09	2/1/2010	X		2,365	71	456	1,431	382	25	2,365
	LTC04I	1/27/2005	X		488	11	100	271	98	8	488
	LTC04G	1/27/2005	X		21	0	3	15	3	0	21
	TOTALS		19	0	4,033	131	805	2,233	788	76	4,033
New York Life Insurance Company	21084(NY)	5/15/1995	X		7	0	0	4	2	1	7
	21073(NY)	5/15/1995	X		62	0	0	30	24	8	62
	G-6601	6/14/1996		X	2	2	0	0	0	0	2
	G-9065	12/16/1998		X	63	4	14	22	23	0	63
	ILTC-4300 (NY)(0197)	2/11/1998	X		3,283	477	1,167	1,075	516	48	3,283
	INH-4300 (NY)(0197)	2/11/1998	X		25	1	4	9	8	3	25
	INH-5000 (NY)(1001)	12/20/2002	X		50	6	17	16	9	2	50
	ILTC-5000 (NY)(1001)	12/20/2002	X		5,301	872	1,836	1,960	578	55	5,301
	FNH-5000(NY)(0503)	5/18/2004	X		5	0	2	1	1	1	5
	FLTC-5000(NY)(0503)	5/18/2004	X		1,169	318	411	361	67	12	1,169
	TOTALS		8	2	9,967	1,680	3,451	3,478	1,228	130	9,967
Northwestern Long Term Care Insurance Company	RS.LTC.(1101)	10/29/2001	X		2,950	293	1,039	1,238	325	32	2,927
	RS.LTC.ML.(1101)	8/22/2002	X		438	114	129	154	36	2	435
	RS.LTC.(0708)	6/16/2008	X		1,428	163	456	560	149	8	1,336
	RS.LTC.ML.(0708)	6/16/2008	X		204	58	45	54	14	1	172
	TT.LTC.(1010)	6/16/2010	X		2,463	386	875	935	205	10	2,411
	TT.LTC.ML.(1010)	6/16/2010	X		461	223	126	87	14	0	450
	TOTALS		6	0	7,944	1,237	2,670	3,028	743	53	7,731
Prudential Insurance Company of America*	83500 LTCR 8002, et al (AICPA GLTC-1)	6/30/1993		X	1	1,408	465	185	42	0	2,100
	83500 GRI045 et al (GLTC-2) 83500 LTCR 200, LTC U 2001 83500 COV 1004	6/30/1998									
		10/4/1995									
		7/6/1999									
	83500 COV 1004	12/1/2000		X	18	509	515	281	45	0	1,350
	83500 BFW 5005, et al (GLTC- 3/3.5)	5/29/2002		X	48	3,971	4,961	4,087	823	0	13,842
	83500 COV 5022, et al (GLTC-4)	10/28/2008		X	15	1,045	1,617	1,219	162	0	4,043
	GRP 99210 (ILTC-1 SIMPLE)	6/10/1999	X		630	30	128	288	174	10	630
	GRP 99211 (ILTC-1 COMPOUND)	6/10/1999	X		1,284	182	497	504	99	2	1,284
	GRP 99212 (ILTC-1 PERIODIC)	6/10/1999	X		552	20	93	218	187	34	552
	GRP 112552 (ILTC-2)	9/3/2003	X		1,603	97	475	707	286	38	1,603
	GRP 112622 (ILTC-2 Franchise)	9/3/2003	X		354	31	82	173	67	1	354
	GRP 113141 (ILTC-3)	10/18/2006	X		2,481	151	696	1,153	440	41	2,481
GRP 113772 (ILTC-3 Franchise)	8/16/2007	X		1,682	205	404	800	251	22	1,682	

	GRP 114201 (Evolution)	10/2/2009	X		53	7	19	23	4	0	53
	GRP 114202 (EvolutionFranchise)	10/27/2009	X		26	6	4	10	6	0	26
	TOTALS		9	4	8,747	7,662	9,956	9,648	2,586	148	30,000
River Source Life Insurance Co. of NY*	38240	10/20/1989	X		440	0	37	267	130	6	440
	38240C	12/31/1991	X		528	0	38	318	163	9	528
	38225	8/31/1994	X		3,374	67	895	1,702	663	47	3,374
	38260A	11/10/1999	X		2,408	57	707	1,133	465	46	2,408
	TOTALS		4	0	6,750	124	1,677	3,420	1,421	108	6,750
State Farm Mutual Automobile Insurance Company	97045NY.1	1/1/1998	X		608	107	169	236	89	7	608
	97045NY.2	5/8/2001	X		96	19	29	35	11	2	96
	97058NY	12/31/2001	X		492	122	119	194	53	4	492
	97059NY	9/21/2005	X		520	105	144	208	60	3	520
	TOTALS		4	0	1,716	353	461	673	213	16	1,716
TIAA-Cref Life Insurance Company and Teachers Insurance Annuity Association of America*	LTC.02	12/23/1991	X		306	1	2	2	41	260	306
	LTC.03 (NY)	3/31/1999	X		585	0	1	17	143	424	585
	TCL-LTC.04 (NY)	3/21/2000	X		514	1	9	37	214	253	514
	TOTALS		3	0	1,405	2	12	56	398	937	1,405
	Thrivent Financial for Lutherans (prev. Aid Association for Lutherans)*	12106 NY	12/28/1998	X		4	1	2	20	18	0
12105 NY		12/28/1998	X		253	5	70	113	62	3	253
TOTALS		2	0	257	6	72	133	80	3	294	
TOTALS		2	0	257	6	72	133	80	3	294	
Transamerica Financial Life Insurance Company (including AUSA)	GCPLUS 2 1290(NY)	6/28/1996	X		2	0	1	1	0	0	2
	NLTCP TQ LTC FR (NY) 297	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		60	2	12	31	12	3	60
	TFL 2-P NYF 0410	11/7/2011	X		76	1	27	30	17	1	76
	TFL 2-P NY 0410	11/7/2011	X		96	4	23	37	32	0	96
	TFL 1-FP (NY) 402	5/20/2004	X		251	16	64	122	46	3	251
	TOTALS		7	0	553	23	140	262	117	11	553
Union Security Life Insurance	4062-NY	10/8/1998	X		167	1	21	67	57	21	167
	4063-NY	10/8/1998	X		2,778	20	449	1,540	711	58	2,778

Company (prev. First Fortis)*										
	TOTALS	2	0	2,945	21	470	1,607	768	79	2,945

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

NON-PARTNERSHIP TOTALS	TOTALS	306	38	284,085	41,919	80,580	137,307	77,980	21,285	359,071
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**Number of Partnership Long Term Care Policies In-Force
in New York as of December 31, 2012**

Insurer	Policy		Type of Coverage		No. of Contracts in NY	No. of Persons Covered in NY					
	Form Number	Date of New York Approval	Individual	Group		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		2	1	1	0	0	0	2
	TOTALS		1	0	2	1	1	0	0	0	2
American Progressive Life and Health Insurance Company of NY*	APRLTCP (11/99) NY	11/1/1999	X		88	0	8	23	48	9	88
	TOTALS		1	0	88	0	8	23	48	9	88
Aviva Life and Annuity Company of New York (prev. John Alden)*	N-2500-P	2/18/1994	X		267	8	57	132	65	5	267
	N-2500-P(Q)	2/18/1994	X		70	4	19	31	15	1	70
	TOTALS		2	0	337	12	76	163	80	6	337
Bankers Conesco Life Insurance Company (prev. Conesco)*	ATIC-RWJ-NY	10/7/1996	X		806	5	75	607	362	38	1,087
	TOTALS		1	0	806	5	75	607	362	38	1,087
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		990	1	49	405	484	51	990
	51001	1/30/1996	X		1,047	1	74	430	450	92	1,047
	51011	8/31/2001	X		6,661	151	1,713	3,791	933	73	6,661
	51013	9/9/2004	X		4,016	96	1,058	2,385	460	17	4,016
	51015	12/15/2005	X		1,300	24	241	826	203	6	1,300
	51015-REV	9/26/2007	X		8,236	123	1,420	5,089	1,563	41	8,236
	7052NYP	10/5/2011	X		1,373	36	275	829	226	7	1,373
	TOTALS		7	0	23,623	432	4,830	13,755	4,319	287	23,623
John Hancock Life Insurance Company	4051-NY	9/24/1998	X		1,800	14	179	983	571	83	1,830

(U.S.A.)	TOTALS		1	0	1,800	14	179	983	571	83	1,830
John Hancock Life & Health Insurance Company	LTC-NY-91-RWJ 3/95	3/25/1993	X		1,344	8	85	559	651	41	1,344
	LTC-96RWJ2 NY 9/97										
	LTC-96RWJ3 NY 9/97	3/20/1998	X		9,423	58	1,125	4,992	2,832	416	9,423
	LTC-96RWJ2 NY 4/99										
	LTC-96RWJ3 NY 4/99	7/5/2001	X		614	3	66	328	188	29	614
	LTC-11-NYP	8/18/2011	X		10	0	1	4	4	1	10
	NYP-05	2/9/2006	X		6,925	106	1,286	4,333	1,132	68	6,925
	TOTALS		5	0	18,316	175	2,563	10,216	4,807	555	18,316
Massachusetts Mutual Life Insurance Company	MM-202-P-NY	7/28/2002	X		40	2	17	29	10	1	59
	MM-205-P-NY	7/28/2002	X		4	0	2	3	2	0	7
	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		131	3	27	81	18	2	131
	MM507-P-NYP	1/21/2009	X		4	0	0	2	2	0	4
	MM508-P-NYP	1/21/2009	X		37	1	8	27	0	1	37
	MM510-P-NYP	1/21/2009	X		3	0	3	0	0	0	3
	MM-506-P-1-NYP	2/3/2012	X		3	0	3	0	0	0	3
	MM-507-P-1-NYP	2/3/2012	X		0	0	0	0	0	0	0
	MM-508-P-1-NYP	2/3/2012	X		4	0	1	3	0	0	4
	MM-510-P-1-NYP	2/3/2012	X		0	0	0	0	0	0	0
	TOTALS		12	0	231	6	62	151	32	4	255
MedAmerica Insurance Company of New York	LTC-CD6-NY	3/30/1993	X		733	10	44	336	313	30	733
	LTC-CD6-NY REV1/1/97	6/24/1997	X		1306	7	116	623	526	34	1,306
	PRT11-336-NY-998	2/20/2001	X		2718	95	477	1282	731	133	2,718
	PRT-11-336-NY-305	9/1/2006	X		1101	56	288	480	245	32	1,101
	FPRT11-336-NY-305	9/1/2006	X		25	3	7	13	1	1	25
	GPRT11-336-NY-305	9/1/2006	X		221	1	63	114	38	5	221
	PGR11-342-NY-900	3/13/2001		X	3	1	4	7	0	0	12
	NYP11-342-NY-200	6/1/2001		X	1	146	468	481	133	16	1,244
	TOTALS		6	2	6,108	319	1,467	3,336	1,987	251	7,360
MetLife Insurance Company of Connecticut (prev. Travelers)*	LC3	3/1/1997	X		4,077	14	292	1,808	1,826	137	4,077
	LC4	3/9/1997	X		1,967	15	252	1,060	605	35	1,967
	TOTALS		2	0	6,044	29	544	2,868	2,431	172	6,044
Metropolitan Life Insurance Company*	ILTC-97-NYP	8/31/2001	X		141	0	2	15	70	54	141
	ILTC-97-NY (00)	5/24/1999	X		14	0	0	3	9	2	14
	LTC-VAL-NYP	12/16/2002	X		1,870	15	63	499	1,088	205	1,870

	LTC-VAL-ML-NYP	12/16/2002	X		418	6	30	135	202	45	418
	LTC2-DD100-NYP	6/20/2006	X		38	0	0	13	21	4	38
	LTC2-DD50-NYP	10/31/2005	X		48	2	2	12	24	8	48
	LTC2-TD100-NYP	6/20/2006	X		936	5	52	369	430	80	936
	LTC2-DD100-ML-NYP	6/20/2006	X		5	0	0	0	5	0	5
	LTC2-DD50-ML-NYP	6/20/2006	X		17	2	2	6	4	3	17
	LTC2-TD100-ML-NYP	6/20/2006	X		376	9	36	141	142	48	376
	LTC2-TD50-ML-NYP	6/20/2006	X		380	7	18	129	178	48	380
	LTC2-TD50-NYP	10/31/2005	X		1,609	10	65	641	764	129	1,609
	RWJ.01		X		141	0	0	2	8	131	141
	G.24182	6/4/1993		X	560	1	9	70	216	264	560
	TOTALS		13	1	6,553	57	279	2,035	3,161	1,021	6,553
Mutual of Omaha Insurance Company*	LTC20	10/26/1993	X		82	3	13	34	32	0	82
	LTC23	10/26/1993	X		2	0	0	1	1	0	2
	LTM20	10/26/1993	X		5	0	2	2	1	0	5
	TOTALS		3	0	89	3	15	37	34	0	89
New York Life Insurance Company	21050RWJ	5/15/1995	X		40	1	9	21	8	1	40
	21050 50TAP (0105)	3/20/2006	X		84	4	26	30	22	2	84
	21050 100TAP (0105)	3/20/2006	X		59	12	25	18	4	0	59
	21050 50DDAP (0105)	3/20/2006	X		4	0	0	2	1	1	4
	21050 100DDAP (0105)	3/20/2006	X		3	0	3	0	0	0	3
	TOTALS		5	0	190	17	63	71	35	4	190
Prudential Insurance Company of America*	83500 PLTC 9001										
	83500 LTCR 8003	11/14/1995		X	1	1	3	0	1	0	5
	GRP 99865	11/27/2001	X		125	1	23	71	26	4	125
	TOTALS		1	1	126	2	26	71	27	4	130
TIAA-Cref Life Insurance Company* and Teachers Insurance Annuity Association of America*	RWJ.01	2/25/1994	X		49	0	0	2	7	40	49
	TOTALS		1	0	49	0	0	2	7	40	49
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		1,800	14	179	953	571	83	1,800
	TOTALS		1	0	1,800	14	179	953	571	83	1,800
PARTNERSHIP TOTALS			67	5	72,308	1,256	11,373	38,170	20,751	2,872	74,422

* Not currently marketing
Partnership policies in New
York State.

GRAND TOTALS			373	43	356,393	43,175	91,953	175,477	98,731	24,157	433,493
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