

**Bulletin 96-4**

**BULLETIN**

**TO: All Insurers Transacting Long Term Care Insurance Business in Kentucky**

**FROM: George Nichols III, Commissioner of Insurance**

**DATE: May 22, 1996**

**RE: 1996/97 Consumer Guide to Long Term Care Insurance**

KRS 304.14-560 requires the Kentucky Department of Insurance to prepare a Consumer Guide to Long Term Care Insurance. The purpose of this guide is to improve the ability of the public to select the most appropriate long term care insurance policy and to improve the public's understanding of long term care.

The attached General Information Form (Questions 1-10) must be completed by all insurers receiving this Bulletin. The Policy Comparison Form (Questions 11-33) must be completed for each approved Long Term Care insurance policy your company now has approved for sale in Kentucky during 1996/97. Responses from the Policy Comparison Form will be included in the printed guide.

You will notice a few changes in the survey from prior years. Several questions which were not reproduced in the Guide have been eliminated. However, question 31 has been added to enable you to share special features of your products.

KRS 304.14-560 provides that the cost of compiling, printing, and distributing the Consumer Guide to Long Term Care Insurance shall be paid by assessments on insurers writing long term care insurance in Kentucky. You will be notified at a later date concerning assessments.

Questions may be directed to the Life and Health Division, (502) 564-6088.

Attachments

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KENTUCKY DEPARTMENT OF INSURANCE  
LONG TERM CARE INSURANCE SURVEY

GENERAL INFORMATION FORM This Form Must Be Completed By All Insurers as Explained Below and returned no later than July 1, 1996 to: Life and Health Division, P.O. Box 517, Frankfort, KY 40602.

1. Insurance Company Name: \_\_\_\_\_

2. Insurance Company Address: \_\_\_\_\_

3. Insurance Company NAIC Number: \_\_\_\_\_

4. Name and Title of Person Completing Survey: \_\_\_\_\_

5. Telephone Number of Person Completing Survey: \_\_\_\_\_

(800 number where possible)

6. Telephone Number For Consumers: \_\_\_\_\_

(800 or Kentucky Number where possible)

7. 1995 A.M. Best Rating: \_\_\_\_\_

8. 1995 actual earned Kentucky premium for Long Term Care Insurance: \_\_\_\_\_

(If not yet available, complete the remainder of this survey and submit premium volume when available)

9. Does this company have approved Long Term Care forms that will be marketed in Kentucky in 1996/97?

yes no (circle one)

10. Do the Long Term Care forms comply with KRS 304.14-600 to 625 and 806 KAR 17:081?

yes no (circle one)

**NOTE: If question 9 and 10 are answered "yes", the attached Policy Comparison Form must be completed and returned for each applicable policy form by July 1, 1996. If either question 9 or 10 is answered "no", complete and return this General Information Form by July 1, 1996.**

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POLICY COMPARISON FORM

Complete a comparison form for each approved policy your company presently has approved for sale in Kentucky during 1996/97.

11. Insurance Company Name: \_\_\_\_\_

12. Product Name: \_\_\_\_\_

13. Form Number: \_\_\_\_\_

14. Date policy form approved in Kentucky: \_\_\_\_\_

15. Policy Type: Group Individual (circle one)

16. Insurable Ages: From: \_\_\_\_\_ To: \_\_\_\_\_

17. Are restrictions placed on coverage available to applicants 80 years of age or older and/or is an increased rate available for high risk applicants?

yes no (circle one)

18. Pre-existing condition waiting period: \_\_\_\_\_ months

19. Is the policy guaranteed renewable? yes no (circle one)

20. Is the policy non-cancelable? yes no (circle one)

21. Deductible (or) Elimination Period(s) Available in Days  
(circle all appropriate)

0 10 50

3 20 100

5 30 other (specify) \_\_\_\_\_

22. Nursing home benefits available:

From \$ \_\_\_\_\_ To \$ \_\_\_\_\_ per \_\_\_\_\_

23. Length of Benefits (circle all available):

1 year 4 years unlimited

2 years 5 years Other years \_\_\_\_\_

3 years 10 years

24. Home Health Care Daily Benefits Available:

Included: yes no (circle one)

Optional: yes no (circle one)

25. Adult Day Care Daily Benefits Available:

Included: yes no (circle one)

Optional: yes no (circle one)

26. Respite Care Daily Benefits Available:

Included: yes no (circle one)

Optional: yes no (circle one)

27. Return of Premium (some or all if benefits not used)?

Included: yes no (circle one)

Optional: yes no (circle one)

28. Which of the required inflation protection benefits is available with this policy?

a) \_\_\_\_\_ Increases benefit levels annually in a manner so that the increases are compounded annually at a rate not less than 5%.

b) \_\_\_\_\_ Covers a specified percentage of actual or reasonable charges; does not include a specified maximum indemnity amount or limit.

c) \_\_\_\_\_ Guarantees the right to periodically increase benefit levels with evidence of insurability, so long as the option has not been previously declined. The additional benefit is no less than the existing benefit compounded annually at 5%

29. Does this policy offer other inflation protection alternatives?

Yes No (circle one)

30. Does this policy offer other benefits and/or discounts that are not specifically questioned in this survey?

Yes No (circle one)

31. If the answer to Question 30 is "Yes", please use the following area to describe those benefits and/or discounts. Be concise; your comments will be reprinted verbatim to the extent space permits. Space will be limited to approximately ten lines per insurer, in 12 point type.

32. 1996 Annual Premium for One Person - 2 year benefit - 20 day elimination. Base rate only - do not include options.  
If this policy does not have this benefit package available,

move on to question 33.

<u>Age</u>	55	65	75
\$60/day	_____	_____	_____
\$80/day	_____	_____	_____
\$100/day	_____	_____	_____

33. If Question 32 is not compatible with this policy, complete the following by using the benefit package most closely resembling Question 32.

1996 Annual Premium for One Person.

\_\_\_\_\_ Year Benefit.

\_\_\_\_\_ Day Elimination Period.

Base rate only - do not include options.

<u>Age</u>	55	65	75
\$___/day	_____	_____	_____
\$___/day	_____	_____	_____
\$___/day	_____	_____	_____