

Important Information About Your Kentucky Long-Term Care Partnership Insurance

[Insurer Name:
Insurer Address:
Policyholder/Certificate Holder Name:
Policy/ Certificate Number or Identifier:
Issue Age of Insured:
Effective Date:]

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Long-term Care partnership insurance [policies/certificates] include special benefits that are outlined below. Additionally, this policy may entitle you to special asset protection under a state Medicaid Program as part of the Kentucky Long-Term Care Partnership Insurance Program (“Partnership Insurance Program”). Please read below for more details and keep this notice with your long-term care partnership insurance [policy/certificate].

The Partnership Insurance Program is an agreement between state government and private insurance companies to assist individuals in planning their long-term care needs. Under this program, long-term care partnership insurance policies may be issued to provide an incentive for an individual to insure against the cost of providing for long-term care needs without depleting all of the individual’s assets and assist in reducing the financial burden on the Kentucky Medicaid Program. Insurance companies voluntarily agree to participate in the Partnership Insurance Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance [policies/certificates] that qualify as Partnership Insurance Program [Policies/Certificates] may allow you or your estate to retain assets through a feature known as "Asset Disregard" under Kentucky's Medicaid program.

Asset Disregard means that an amount of the policyholder's [certificate holder's] assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Insurance Program [Policy/Certificate] will be disregarded (protected or not counted) for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Insurance Program [Policy/Certificate] at the time of application for Medicaid benefits without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply and special rules may apply to persons whose home equity exceeds [\$500,000 for 2008-2010]. Asset Disregard is not available under a long-term care insurance [policy/certificate] that is not a Partnership Insurance Program [Policy/Certificate]. Therefore, you should consider if Asset Disregard is important to you, and whether a Partnership Insurance Program Policy meets your needs. ***The purchase of a Partnership Insurance Program Policy does not automatically qualify you for Medicaid.***

What are the Requirements for a Partnership Insurance Program [Policy/Certificate]? In order for a [policy/certificate] to qualify as a Partnership Insurance Program [Policy/Certificate], it must meet certain State and Federal requirements, including it must:

- Be issued on or after [effective date of 806 KAR 17:083];
- Cover an individual who was a Kentucky resident when coverage first becomes effective under the policy;
- Be a tax-qualified policy under the Internal Revenue Code; and

- Meet the following inflation requirements:
 - For ages 60 or younger - provides at least 3% compound annual inflation protection;
 - For ages 61 to 75 -provides at least 3% simple interest inflation protection; and
 - For ages 76 and older - no purchase of inflation protection is required, but a policyholder may purchase inflation protection at any level offered by the company.

What Could Disqualify a [Policy/Certificate] as a Long-Term Care Partnership Insurance

Policy? Any changes made to this [policy/certificate] could affect whether the [policy/certificate] will continue to be qualified as a Partnership Insurance Program [policy/certificate]. Therefore, before you make any change to this [policy/certificate], you should consult with [insurer] or your agent to determine the effect of the proposed change. Not all states have a Long-term Care Partnership Insurance Program or recognize long-term care partnership insurance policies issued in other states. Therefore, if you move to one of these states, you would not receive beneficial treatment of your [policy/certificate] under the Medicaid program of that state. Additionally, the information contained in this disclosure is based on current Kentucky and Federal laws, which may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your [policy/certificate] under Kentucky's Medicaid program.

Additional Information. If you have questions regarding long-term care insurance [policies/certificates] please contact [Insurer name, telephone and any other contact information.] or the Department of Insurance at 800-595-6053. If you have questions regarding current laws governing Medicaid eligibility, you can visit the Web site of the Kentucky Department for Medicaid Services at <http://chfs.ky.gov/dms/Eligibility.htm> or contact the Medicaid Eligibility Policy Branch at 502-564-6204.