

Important Notice of Offer to Exchange

[Date of Mailing: _____
Company Name: _____
Address: _____
Company Contact Person: _____
Company NAIC Number: _____
Insured's Name: _____
Insured's Address: _____
Insured's Policy or Certificate Number: _____
Effective Date of Policy or Certificate: _____]

We have reviewed our records and determined that your policy qualifies for an exchange to a Long-term Care (LTC) Partnership Insurance Policy. The purpose of this notice is to inform you that our company is willing to exchange your existing long-term care insurance policy for a LTC Partnership Insurance policy. Following is more information relating to this offer of exchange under the Kentucky Long-term Care Partnership Insurance Program (LTCPIP), which became effective on [effective date of 806 KAR 17:083].

Our company now participates in the Kentucky LTCPIP by offering LTC Partnership Insurance Policies that meet specified state and federal requirements. Under the Kentucky LTCPIP, a policy that meets these state and federal requirements may allow you to protect a portion of your assets (e.g., bank accounts, stocks, bonds, property) from Medicaid's spend down and estate recovery requirements if you apply for Medicaid benefits in the future. A LTC Partnership Insurance Policy approved under this program is designed to allow you to protect a dollar of your own assets for each dollar of benefits paid under this policy when you apply to the Medicaid Program and, if approved, those protected assets would not be subject to estate recovery.

In order to accept this offer to exchange, you must review, complete, and return this form to our company by [date not less than 90 days of the date of mailing of this notice]. This period may be extended only for good cause shown.

Before making your decision to exchange your current LTC insurance policy for a LTC Partnership Insurance Policy, you should be aware of the following:

1. Your current health status and age will not be considered for this new [policy and certificate].
2. The effect on your current premium will be [disclose any premium change].
3. You will not lose any rights, benefits, or built-up value that accrued under the original long-term care insurance policy, including credit for satisfying a pre-existing condition exclusion period, elimination period, and incontestability period.

4. A Long-term Care Partnership Insurance Policy:
- Includes automatic, annual inflation protection of not less than three percent (3%) calculated on a compound basis, for an individual who had not attained age 61 as of the original date of purchase;
 - Includes automatic, annual inflation protection of not less than three percent (3%) calculated on a simple basis for an individual who had attained age 61 to 75 as of the original date of purchase; and
 - May (but is not required to) include some level of inflation protection for an individual who had attained age 76 as of the original date of purchase.

An individual with a Kentucky Long-term Care Partnership Insurance Policy is not guaranteed eligibility for Medicaid benefits.

A Kentucky Long-term Care Partnership Insurance Policy is treated as a qualified long-term care insurance contract by the Internal Revenue Service. Consult your tax specialist for more information.

An individual with a Kentucky Long-term Care Partnership Insurance Policy, who moves to a state outside Kentucky that does not have a Long-term Care Partnership Insurance Program or does not recognize Long-term Care Partnership Insurance Policies issued outside of that state, may not receive the dollar for dollar asset protection under the state's Medicaid Program.

Since state Long-term Care Partnership Insurance Programs are based upon current federal and state laws and these laws are subject to change, a Long-term Care Partnership Insurance Policy may not offer the same protections in the future as the policy offers today.

I have reviewed this notice and choose to exchange my current long-term care insurance policy for a Long-term Care Partnership Insurance Policy.

Signature of Insured
(or authorized representative)

Date of Signature

Additional Information. If you have questions regarding this offer, please contact [Insurer name, telephone and any other contact information] or your agent.