

## APPENDIX F – TABLES & METHODOLOGY

TABLE 1

### LTCI MARKET OVERVIEW - MASSACHUSETTS

#### TOTAL POLICIES

December 31	2001	2004	2005	2006	2007	2008
# of Policies	102,340	126,691	135,906	141,252	147,472	152,858
% increase			7.3%	3.9%	4.4%	3.7%
\$ Revenue	\$ 142,199,021	\$ 189,675,865	\$ 206,611,248	\$ 221,510,359	\$ 239,214,461	\$ 258,008,344
% increase			8.9%	7.2%	8.0%	7.9%

#### GROUP POLICIES

December 31	2001	2004	2005	2006	2007	2008
# of Policies	37,821	47,486	48,694	50,276	52,891	55,214
% increase			2.5%	3.2%	5.2%	4.4%
\$ Revenue	\$ 27,301,841	\$ 31,573,229	\$ 32,424,438	\$ 35,970,795	\$ 38,282,421	\$ 42,498,675
% increase			2.7%	10.9%	6.4%	11.0%

#### INDIVIDUAL POLICIES

December 31	2001	2004	2005	2006	2007	2008
# of Policies	64,519	79,205	87,212	90,976	94,581	97,644
% increase			10.1%	4.3%	4.0%	3.2%
\$ Revenue	\$ 114,897,180	\$ 158,102,636	\$ 174,186,810	\$ 185,539,564	\$ 200,932,039	\$ 215,509,669
% increase			10.2%	6.5%	8.3%	7.3%

NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds.

TABLE 2  
LTCI MARKET OVERVIEW – NATIONAL

**TOTAL POLICIES**

December 31	2001	2004	2005	2006	2007	2008
# of Policies	4,043,347	5,069,783	5,321,796	5,522,895	5,664,608	5,846,780
% increase			5.0%	3.8%	2.6%	3.2%
\$ Revenue	\$4,855,682,697	6,546,921,834	\$6,945,000,259	\$7,461,459,690	\$7,929,243,847	\$8,379,216,009
% increase			6.1%	7.4%	6.3%	5.7%

**GROUP POLICIES**

December 31	2001	2004	2005	2006	2007	2008
# of Policies	1,135,353	1,692,742	1,794,066	1,882,089	1,905,428	2,006,936
% increase			6.0%	4.9%	1.2%	5.3%
\$ Revenue	\$ 655,515,624	\$ 905,202,675	\$1,030,460,652	\$1,102,217,373	\$1,204,995,159	\$1,322,864,014
% increase			13.8%	7.0%	9.3%	9.8%

**INDIVIDUAL POLICIES**

December 31	2001	2004	2005	2006	2007	2008
# of Policies	2,907,994	3,377,041	3,527,730	3,640,806	3,759,180	3,839,844
% increase			4.5%	3.2%	3.3%	2.1%
\$ Revenue	\$4,200,167,073	\$5,641,719,159	\$5,914,539,607	\$6,359,242,317	\$6,724,248,688	\$7,056,351,995
% increase			4.8%	7.5%	5.7%	4.9%

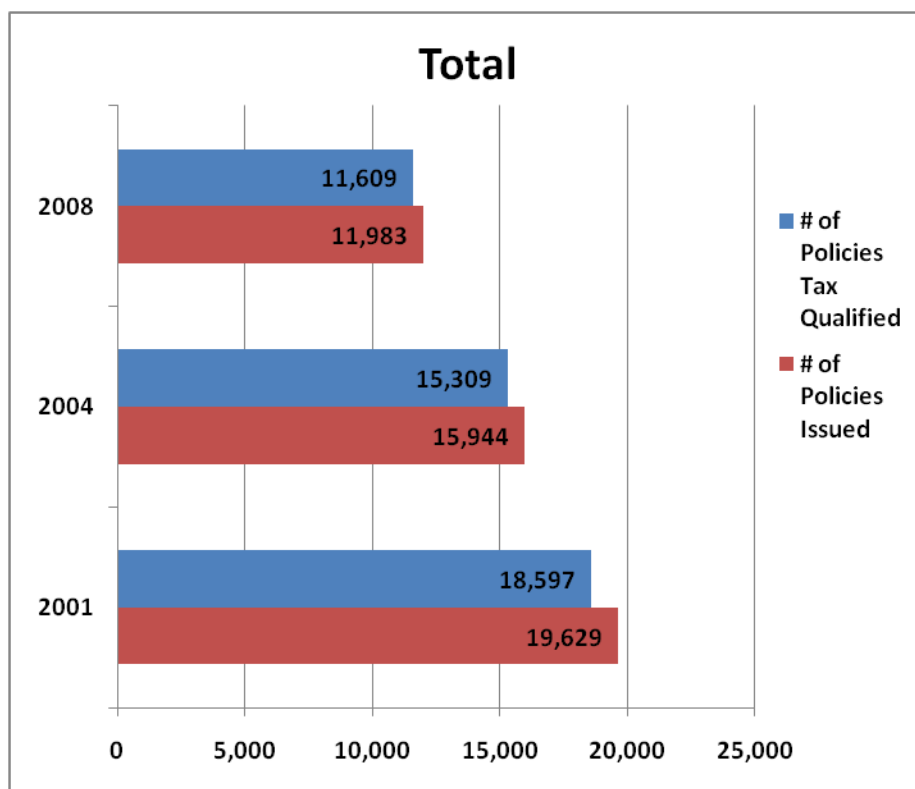
NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds. Data from companies that do not have Massachusetts insureds are not reflected in totals.

TABLE 3

LTCI PLANS ISSUED IN CALENDAR YEAR 2001, 2004, AND 2008 INTENDED TO QUALIFY  
AS A FEDERALLY TAX-QUALIFIED PLAN – MASSACHUSETTS

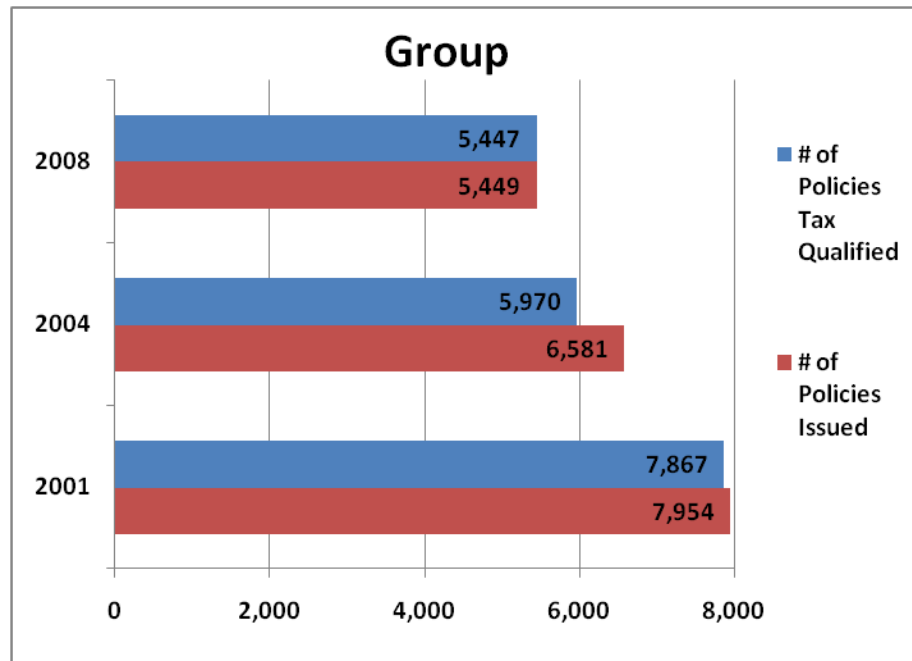
**MASSACHUSETTS  
TOTAL POLICIES**

December 31	2001	2004	2008
# of Policies Issued	19,629	15,944	11,983
# of Policies Tax Qualified	18,597	15,309	11,609
% Tax Qualified	94.7%	96.0%	96.9%



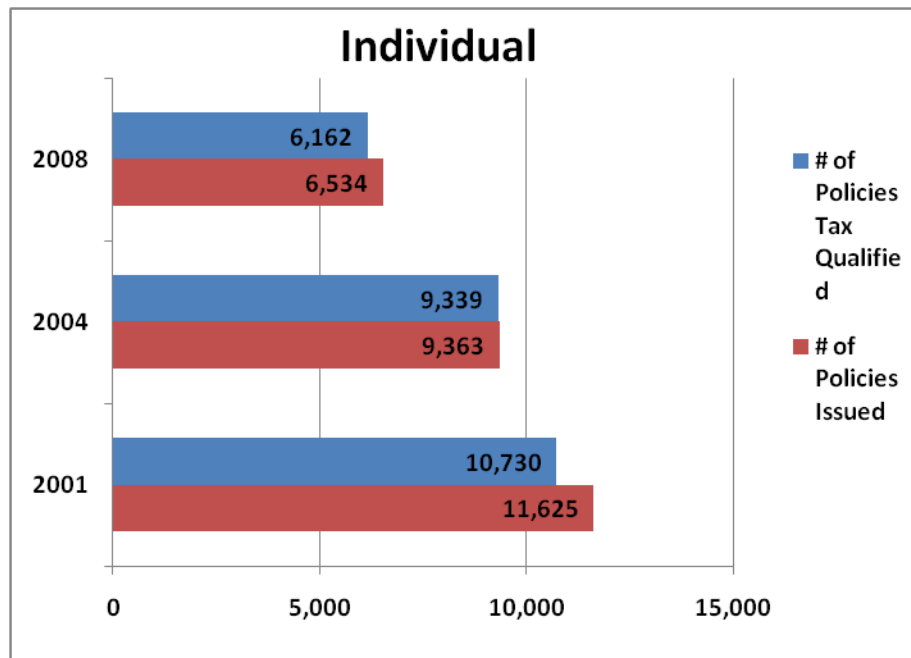
# GROUP

December 31	2001	2004	2008
# of Policies Issued	7,954	6,581	5,449
# of Policies Tax Qualified	7,867	5,970	5,447
% Tax Qualified	98.9%	90.7%	100.0%



# **INDIVIDUAL**

December 31	2001	2004	2008
# of Policies Issued	11,625	9,363	6,534
# of Policies Tax Qualified	10,730	9,339	6,162
% Tax Qualified	91.9%	99.7%	94.3%



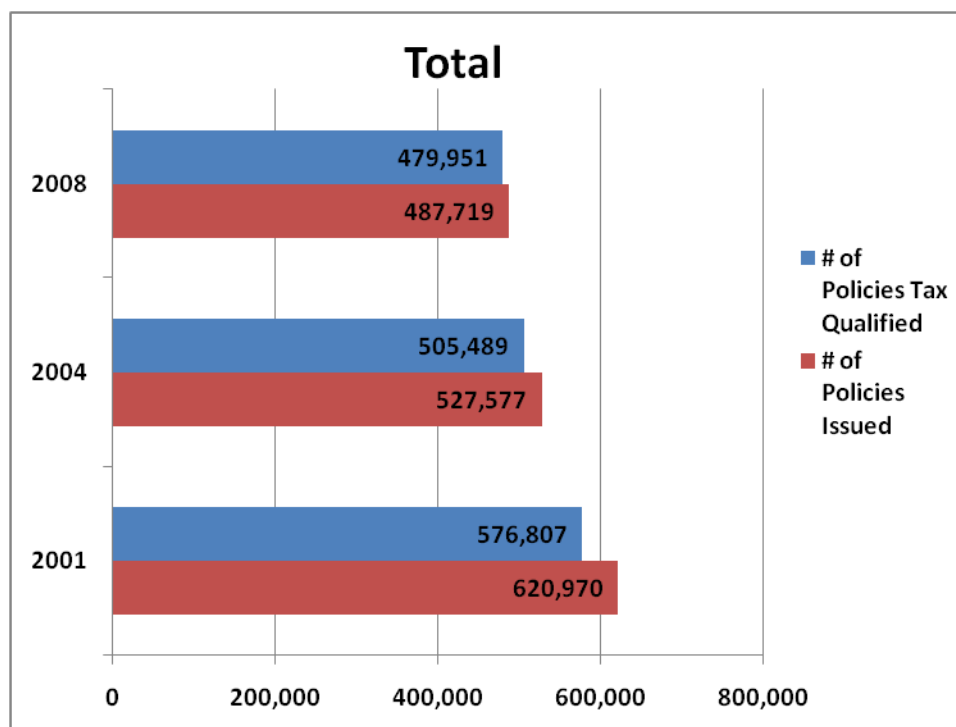
NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds.

TABLE 4

LTCI PLANS ISSUED IN CALENDAR YEAR 2001, 2004, AND 2008 INTENDED TO QUALIFY  
AS A FEDERALLY TAX-QUALIFIED PLAN – NATIONAL

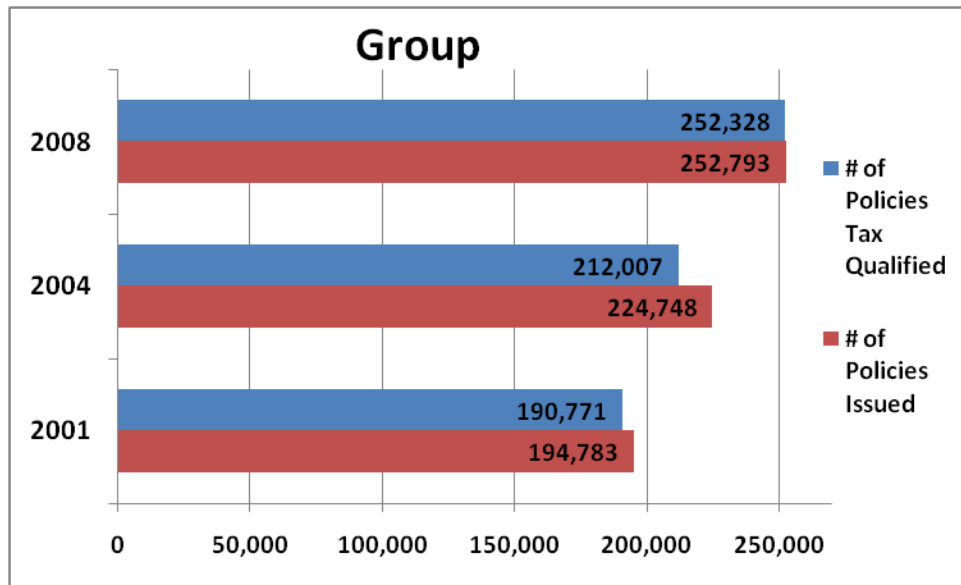
**NATIONAL  
TOTAL POLICIES**

December 31	2001	2004	2008
# of Policies Issued	620,970	527,577	454,719
# of Policies Tax Qualified	576,807	505,489	479,951
% Tax Qualified	92.9%	95.8%	98.4%



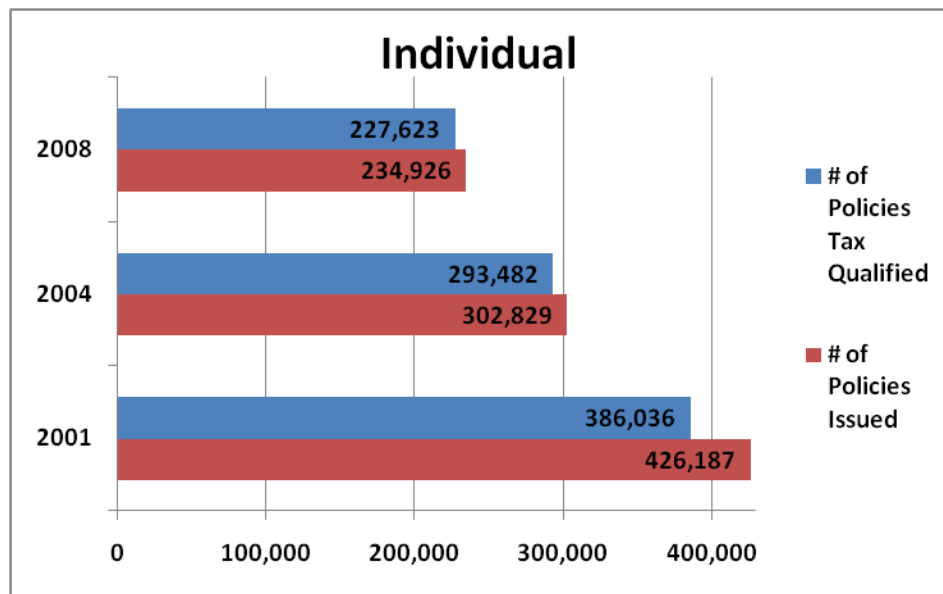
**GROUP**

December 31	2001	2004	2008
# of Policies Issued	194,783	224,748	252,793
# of Policies Tax Qualified	190,771	212,007	252,328
% Tax Qualified	97.9%	94.3%	99.8%



### INDIVIDUAL

December 31	2001	2004	2008
# of Policies Issued	426,187	302,829	234,926
# of Policies Tax Qualified	386,036	293,482	227,623
% Tax Qualified	90.6%	96.9%	96.9%



NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds. Data from companies that do not have Massachusetts insureds are not reflected in totals.

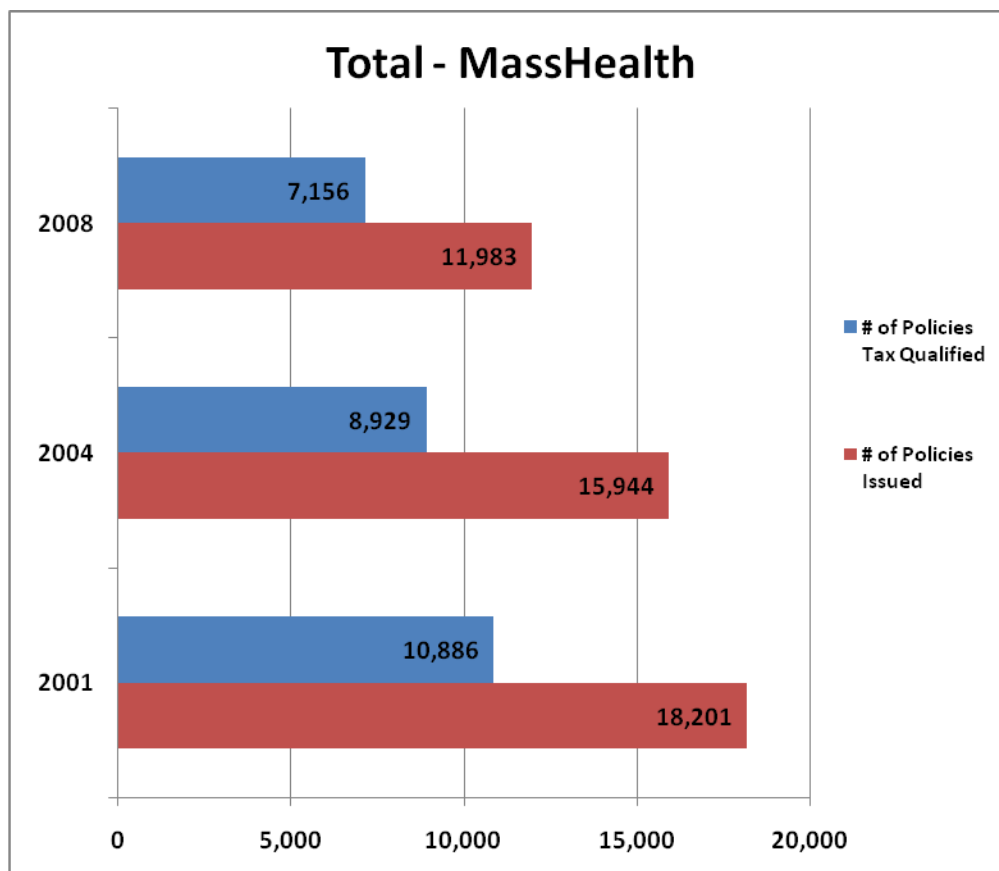


TABLE 5

LTCI PLANS ISSUED IN CALENDAR YEAR 2001, 2004, AND 2008  
INTENDED TO QUALIFY FOR  
CERTAIN MASSHEALTH EXEMPTIONS – MASSACHUSETTS

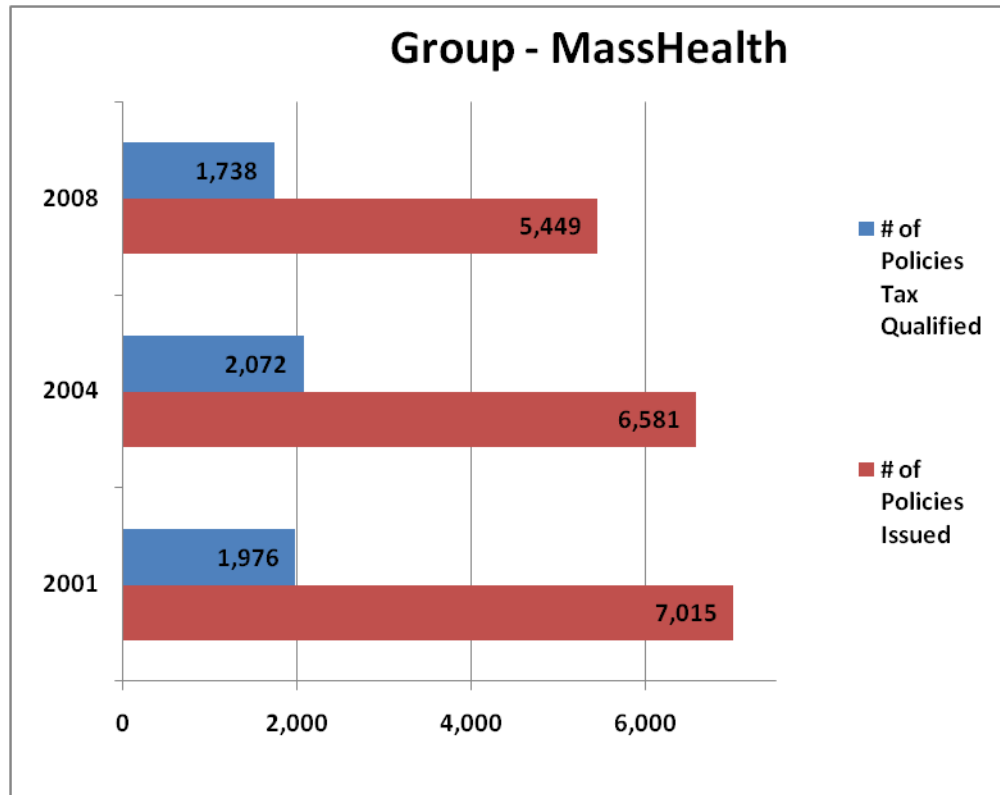
**TOTAL POLICIES**

December 31	2001	2004	2008
# of Policies Issued	18,201	15,944	11,983
# of Policies Tax Qualified	10,886	8,929	7,156
% Tax Qualified	59.8%	56.0%	59.7%



GROUP

December 31	2001	2004	2008
# of Policies Issued	7,015	6,581	5,449
# of Policies Tax Qualified	1,976	2,072	1,738
% Tax Qualified	28.2%	31.5%	31.9%



# INDIVIDUAL

December 31	2001	2004	2008
# of Policies Issued	11,186	9,363	6,534
# of Policies Tax Qualified	8,910	6,857	5,418
% Tax Qualified	79.7%	73.2%	82.9%

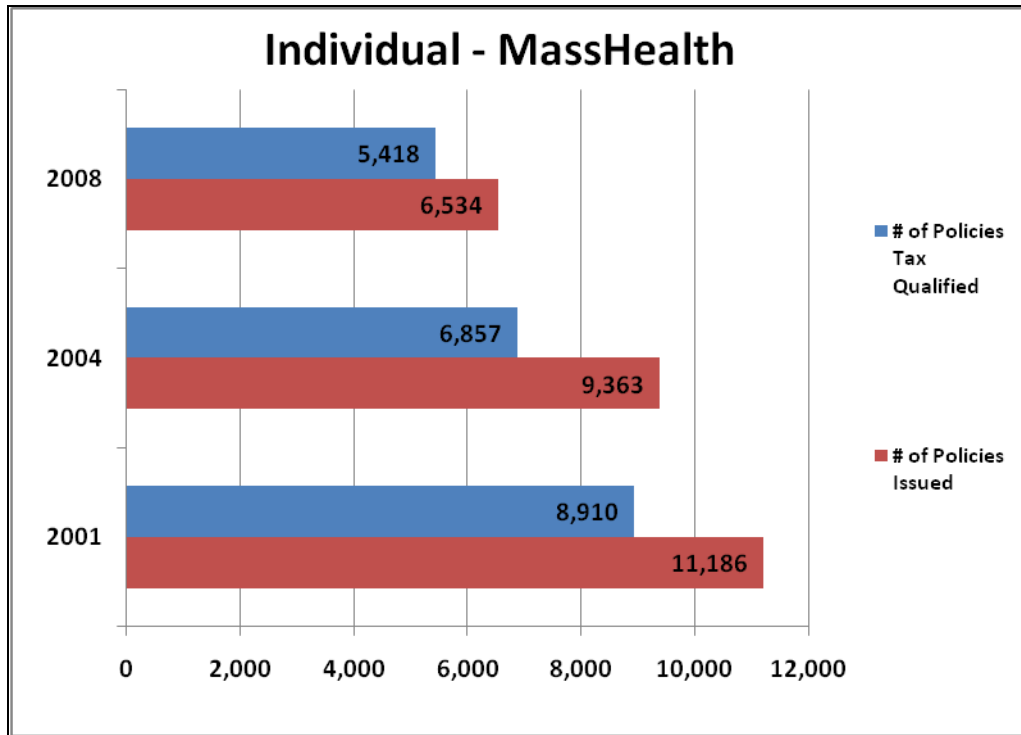


TABLE 6

## LTCI AVERAGE AGE OF INSURED – MASSACHUSETTS

**TOTAL POLICIES**

<b>December 31</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>
Average Age	57.4	59.9	59.9
Increase/Decrease		2.5	0.0
Median Age	61.0	62.0	61.0

**GROUP  
POLICIES**

<b>December 31</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>
Average Age	47.7	49.9	50.4
Increase/Decrease		2.2	0.5
Median Age	54.9	59.0	61.0

**INDIVIDUAL POLICIES**

<b>December 31</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>
Average Age	61.9	65.4	65.3
Increase/Decrease		3.5	(0.1)
Median Age	61.5	62.0	61.4

TABLE 7

## LTCI AVERAGE AGE OF INSUREDS – NATIONAL

**TOTAL POLICIES**

<b>December 31</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>
Average Age	58.6	61.2	61.0
Increase/Decrease		2.6	(0.2)
Median Age	60.3	61.0	60.5

**GROUP  
POLICIES**

<b>December 31</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>
Average Age	49.3	50.3	50.6
Increase/Decrease		1.0	0.3
Median Age	53.0	57.5	59.5

**INDIVIDUAL POLICIES**

<b>December 31</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>
Average Age	63.0	66.9	66.5
Increase/Decrease		3.9	(0.4)
Median Age	61.1	61.0	60.5

TABLE 8

## LTCI COMMISSIONS PAID TO AGENTS OR BROKERS IN MASSACHUSETTS

Percent commissions paid to agents or brokers,  
by companies in Massachusetts

**GROUP PLANS**

Percent	2001	2004	2008
none	2	0	2
1 - 10%	2	5	5
11 - 20%	0	1	1
21 - 30%	0	0	0
31 - 40%	0	0	0
41 - 50%	2	0	0
51 - 60%	0	0	0

**INDIVIDUAL  
PLANS**

Percent	2001	2004	2008
none	0	0	3
1 - 10%	1	0	0
11 - 20%	0	1	0
21 - 30%	1	0	0
31 - 40%	6	4	4
41 - 50%	8	7	7
51 - 60%	5	2	4
61 - 70%	1	2	1
71 - 80%	1	1	0
81 - 100%	0	1	1

NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds.

TABLE 9

LTCI COMPANIES WHO OFFER A  
NONFORFEITURE BENEFIT – MASSACHUSETTS

2004		2008	
	Total Percent		Total Percent
Yes	100%	Yes	93%
No	0%	No	7%
Total	100%	Total	100%

	Group Percent		Group Percent
Yes	100%	Yes	78%
No	0%	No	22%
Total	100%	Total	100%

	Individual Percent		Individual Percent
Yes	100%	Yes	100%
No	0%	No	0%
Total	100%	Total	100%

NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds.

TABLE 10

**LTCI COMPANIES WHO OFFER A  
NONFORFEITURE BENEFIT – NATIONAL**

2004

	Total Percent
Yes	100%
No	0%
Total	100%

2008

	Total Percent
Yes	97%
No	3%
Total	100%

	Group Percent
Yes	100%
No	0%
Total	100%

	Group Percent
Yes	100%
No	0%
Total	100%

	Individual Percent
Yes	100%
No	0%
Total	100%

	Individual Percent
Yes	96%
No	4%
Total	100%

NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds. Data from companies that do not have Massachusetts insureds are not reflected in totals.



TABLE 11

## LTCI

LAPSE RATES FOR PLANS BOUGHT IN 1997 AS OF 2001

LAPSE RATES FOR POLICES BOUGHT IN 2002 AS OF 2004

LAPSE RATES FOR POLICES BOUGHT IN 2005 AS OF 2008

<b>Massachusetts</b>	<b>2001</b>	<b>2004</b>	<b>2008</b>
	<b>Mean Rate</b>	<b>Mean Rate</b>	<b>Mean Rate</b>
Total	33.2%	11.8%	23.8%
Group	45.4%	17.6%	37.1%
Individual	29.6%	8.5%	14.8%

<b>National</b>	<b>2001</b>	<b>2004</b>	<b>2008</b>
	<b>Mean Rate</b>	<b>Mean Rate</b>	<b>Mean Rate</b>
Total	36.2%	13.1%	25.8%
Group	43.3%	17.9%	37.5%
Individual	33.8%	10.5%	15.9%

NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds. Data from companies that do not have Massachusetts insureds are not reflected in totals.

TABLE 12

LTCI PERCENTAGE OF INSURED  
WHO PURCHASED INFLATION PROTECTION

<b>Massachusetts</b>	<b>2001</b>	<b>2004</b>	<b>2008</b>
		<b>Mean Rate</b>	<b>Mean Rate</b>
Total	71.1%	63.1%	69.1%
Group	60.5%	36.8%	41.9%
Individual	78.6%	80.6%	91.9%

<b>National</b>	<b>2001</b>	<b>2004</b>	<b>2008</b>
	<b>Mean Rate</b>	<b>Mean Rate</b>	<b>Mean Rate</b>
Total	73.6%	68.0%	52.7%
Group	70.7%	53.5%	31.9%
Individual	75.0%	78.9%	75.0%

TABLE 13

LTCI PERCENTAGE OF INSURED WHO  
PURCHASED NURSING HOME COVERAGE  
AND THE AVERAGE MAXIMUM DAILY AMOUNT PURCHASED  
IN 2001, 2004, and 2008

<b>Massachusetts</b>	<b>2001</b>	<b>2004</b>	<b>2008</b>
<b>Nursing Home Coverage</b>	<b>% Purchase</b>	<b>% Purchase</b>	<b>% Purchase</b>
Total	98.7%	99.1%	99.2%
Group	100.0%	99.9%	100.0%
Individual	97.7%	98.4%	98.5%

<b>Nursing Home Coverage</b>	<b>\$ Coverage</b>	<b>\$ Coverage</b>	<b>\$ Coverage</b>
Total	\$133.40	\$150.86	\$154.07
Group	\$102.94	\$110.77	\$121.46
Individual	\$152.62	\$180.01	\$182.73

<b>National</b>	<b>2001</b>	<b>2004</b>	<b>2008</b>
<b>Nursing Home Coverage</b>	<b>% Purchase</b>	<b>% Purchase</b>	<b>% Purchase</b>
Total	97.8%	98.1%	99.0%
Group	100.0%	100.0%	100.0%
Individual	96.7%	96.5%	97.9%

<b>Nursing Home Coverage</b>	<b>\$ Coverage</b>	<b>\$ Coverage</b>	<b>\$ Coverage</b>
Total	\$115.95	\$122.49	\$126.91
Group	\$91.52	\$112.31	\$116.14
Individual	\$112.11	\$142.75	\$139.07

TABLE 14

LTCI PERCENTAGE OF INSURED WHO  
PURCHASED HOME HEALTH CARE COVERAGE  
AND THE AVERAGE MAXIMUM DAILY AMOUNT PURCHASED  
IN 2001, 2004, and 2008

Massachusetts	2001	2004	2008
Home Health Care Coverage	% Purchase	% Purchase	% Purchase
Total	99.2%	98.4%	98.9%
Group	99.6%	99.0%	99.6%
Individual	99.0%	98.0%	98.2%

Home Health Care Coverage	\$ Coverage	\$ Coverage	\$ Coverage
Total	\$106.09	\$129.87	\$138.79
Group	\$69.52	\$76.50	\$93.19
Individual	\$108.36	\$168.19	\$177.51

National	2001	2004	2008
Home Health Care Coverage	% Purchase	% Purchase	% Purchase
Total	93.9%	96.4%	98.5%
Group	93.8%	95.4%	98.0%
Individual	93.9%	97.2%	99.0%

Home Health Care Coverage	\$ Coverage	\$ Coverage	\$ Coverage
Total	\$95.58	\$109.40	\$106.75
Group	\$74.76	\$77.27	\$79.01
Individual	\$104.75	\$131.91	\$136.38

NOTE: Totals are taken from survey data reported by those long-term care insurers with Massachusetts insureds. Data from companies that do not have Massachusetts insureds are not reflected in totals.

**Table 1**

The number of national policies reported in this exhibit represents an aggregation of the number of national long-term care policyholders (or certificateholders) by year between 2005 and 2008 [Q.2 of

the History Section of Part A of the 2008 Survey]. The total premium dollars reported in this exhibit represents an aggregation of the total premium dollars collected from national long-term care policyholders (or certificateholders) by year between 2005 and 2008 [Q.3 of the History Section of Part B of the 2008 Survey]. All figures reported for 2001 and 2004 are taken from the 2005 report issued by the Division of Insurance entitled “A Report on Long-Term Care Insurance: The Results of a 2005 Survey” amended only when information reported by any company was corrected as part of the investigation of the data reported in the 2008 Survey.

## **Table 2**

The number of Massachusetts policies reported in this exhibit represents an aggregation of the number of Massachusetts long-term care policyholders (or certificateholders) by year between 2005 and 2008 [Q.3 of the History Section of Part A of the 2008 Survey]. The total premium dollars reported in this exhibit represents an aggregation of the total premium dollars collected from Massachusetts long-term care policyholders (or certificateholders) by year between 2005 and 2008 [Q.4 of the History Section of Part B of the 2008 Survey]. All figures reported for 2001 and 2004 are taken from the Division’s 2005 survey referenced in previous Exhibit notes.

## **Table 3**

In order to calculate the percentage of national long-term care insurance policies intended to be federally tax-qualified long-term care policies, divide the number of policies issued nationally in 2008 that were intended to be federally tax-qualified long-term care policies [Q.1 in the Federally Tax-Qualified Plans Section of Part B of the 2008 Survey] by the number of all policies sold in year 2008 [Q.2b of the History Section of Part A of the 2008 Survey] respectively.

## **Table 4**

In order to calculate the percentage of Massachusetts long-term care insurance policies intended to be federally tax-qualified long-term care policies, divide the number of policies issued in Massachusetts in 2008 that were intended to be federally tax-qualified long-term care policies [Q.2 in the Federally Tax-Qualified Plans Section of Part B of the 2008 Survey] by the number of all policies sold in year 2008 [Q.3b of the History Section of Part A of the 2008 Survey] respectively.

## **Table 5**

In order to calculate the percentage of Massachusetts long-term care insurance policies intended to qualify for certain MassHealth exemptions, divide the number of policies issued in Massachusetts in 2008 that were intended to qualify for certain MassHealth exemptions [Q.1 in the State MassHealth (Medicaid) Qualified Plans Section of Part B of the 2008 Survey] by the number of all policies sold in year 2008 [Q.3b of the History Section of Part A of the 2008 Survey] respectively.

**Table 6**

In order to derive the national average age of long-term care insurance policyholders, a composite statistic of national policyholder age-years was calculated for each company. Based upon the information submitted for a company, each year's average age [Q.4 of the History Section of Part A of the 2008 Survey] was multiplied by the number of policyholders for that company in the corresponding year [Q.2 of the History Section of Part A of the 2008 Survey] to calculate that company's composite policyholder age-years for 2008. All the companies' composite policyholder age-years were aggregated and divided by the total of all long-term care insurance policyholders for that year to derive the weighted national average age for all long-term care policyholders for that year. All figures reported for 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

**Table 7**

In order to derive the Massachusetts average age of long-term care insurance policyholders, a composite statistic of Massachusetts policyholder age-years was calculated for each company. Based upon the information submitted for a company, each year's average age [Q.5 in the History Section of Part A of the 2008 Survey] was multiplied by the number of policyholders for that company in the corresponding year [Q.3 in the History Section of Part A of the 2008 Survey] to calculate that company's composite policyholder age-years for 2008. All the companies' composite policyholder age-years were aggregated and divided by the total of all long-term care insurance policyholders for that year to derive the weighted Massachusetts average age for all long-term care policyholders for that year. All figures reported for 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

**Table 8**

Information was based upon the information submitted by companies responding to an inquiry requesting that the company identify the average commission paid to an agent or broker for a new long-term care policy in Massachusetts [Q.11 in the Marketing and Agent Training Section of Part B of the 2008 Survey].

**Table 9**

The information reported in this exhibit represents company responses as to whether a company responded "yes", "no" or "not applicable" to Q.1 of the Nonforfeiture Benefits Section of Part B of the 2008 Survey for its national long-term care insurance offerings. All figures reported for 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

**Table 10**

The information reported in this exhibit represents company responses as to whether a company responded "yes", "no" or "not applicable" to Q.3 of the Nonforfeiture Benefits Section of Part B of the 2008 Survey for its Massachusetts long-term care insurance offerings. All figures reported for 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

## **Table 11**

### National

In order to calculate the percentage of national long-term care insurance lapse rates, subtract the number of policies (or certificates) bought from each company in 2005 that were still in force in 2008 [Q.1 in the Lapse Rates and Policy Replacement Section of Part B of the 2008 Survey] from the number of national policies (or certificates) issued by each company in 2005 [Q.2b in the History Section of Part A of the 2008 Survey]. The national three-year lapse rate represents the total number of all companies' lapse policies as of 2008 divided by the total number of all companies' policyholders or certificateholders issued policies in 2005. All figures reported for 2001 and 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

### Massachusetts

In order to calculate the percentage of Massachusetts long-term care insurance lapse rates, subtract the number of policies (or certificates) bought from each company in 2005 that were still in force in 2008 [Q.2 in the Lapse Rates and Policy Replacement Section of Part B of the 2008 Survey] from the number of Massachusetts policies (or certificates) issued by each company in 2005 [Q.3b in the History Section of Part A of the 2008 Survey]. The Massachusetts three-year lapse rate represents the total number of all companies' lapse policies as of 2008 divided by the total number of all companies' policyholders or certificateholders issued policies in 2005. All figures reported for 2001 and 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

## **Table 12**

### National

In order to derive the national percentage of long-term care insurance policyholders who purchase inflation protection, a composite statistic was calculated for each company. Based upon the information submitted for a company, each company's national percentage purchasing inflation protection in 2008 [Q.1 of the Inflation Adjustment Benefit Section of Part B of the 2008 Survey] was multiplied by the number of national policies issued by the company in 2008 [Q.2b of the History Section of Part A of the 2008 Survey] to calculate the number of that company's national policies issued in 2008 that included inflation protection. The number of national policies issued with inflation protection was aggregated for all the companies and then divided by the total number of national long-term care insurance policies issued in 2008 to derive the percentage of national long-term care insurance policies issued in 2008 with inflation protection. All figures reported for 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

### Massachusetts

In order to derive the Massachusetts percentage of long-term care insurance policyholders who purchase inflation protection, a composite statistic was calculated for each company. Based upon the information submitted for a company, each company's Massachusetts percentage purchasing inflation protection in 2008 [Q.3 of the Inflation Adjustment Benefit Section of Part B of the 2008 Survey] was multiplied by the number of Massachusetts policies issued by the company in 2008 [Q.3b of the History Section of Part A of the 2008 Survey] to calculate the number of that company's Massachusetts policies issued in 2008 with benefits for inflation protection. The number of Massachusetts policies issued with inflation protection was aggregated for all the companies and then divided by the total number of Massachusetts long-term care insurance policies issued in 2008 to derive the percentage of Massachusetts long-term care insurance policies issued in 2008 with inflation protection. All figures reported for 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

## **Table 13**

### National

In order to derive the percentage of national long-term care insurance policyholders who purchase nursing home coverage, each company's total national number of policies with nursing home coverage issued in 2008 [Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section of Part B of the 2008 Survey and Q.1 of the Nursing Home Coverage Section of Part B of the 2008 Survey] was aggregated into a statistic of the national number of policies with nursing home coverage. This number was then divided by the total number of national long-term care insurance policies issued in 2008 [Q.2b of the History Section of Part A of the 2008 Survey] to derive the percentage of national long-term care insurance policies issued in 2008 with nursing home coverage.

In order to derive the national average nursing home daily benefit of long-term care insurance policyholders, a composite statistic was calculated for each company. Based upon the information submitted for a company, each company's national average daily benefit for nursing home coverage in 2008 [Q1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.1 of the Nursing Home Coverage Section of Part B of the 2008 Survey] was multiplied by the number of national policies issued by the company in 2008 with nursing home coverage [as calculated above based upon information in Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.1 of the Nursing Home Coverage Section of Part B of the 2008 Survey] to calculate a total policyholder-average daily rate statistic for each company. This number was aggregated across all the companies and then divided by the number of national policies with nursing home coverage issued in 2008 [an aggregate of what each company reported for Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.1 of the Nursing Home Coverage Section of Part B of the 2008 Survey] to derive the average daily nursing home coverage maximum for national policyholders.

All figures reported for 2001 and 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

### Massachusetts

In order to derive the percentage of Massachusetts long-term care insurance policyholders who purchase nursing home coverage, each company's total Massachusetts number of policies with nursing home coverage issued in 2008 [Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section of Part B of the 2008 Survey and Q.2 of the Nursing Home Coverage Section of Part B of the 2008 Survey] was aggregated into a statistic of the Massachusetts number of policies with nursing home coverage. This number was then divided by the total number of Massachusetts long-term care insurance policies issued in 2008 [Q.3b of the History Section of Part A of the 2008 Survey] to derive the percentage of Massachusetts long-term care insurance policies issued in 2008 with nursing home coverage.

In order to derive the Massachusetts average nursing home daily benefit of long-term care insurance policyholders, a composite statistic was calculated for each company. Based upon the information submitted for a company, each company's Massachusetts average daily benefit for nursing home coverage in 2008 [Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.2 of the Nursing Home Coverage Section of Part B of the 2008 Survey] was multiplied by the number of Massachusetts policies issued by the company for the corresponding years with nursing home coverage [as calculated above based upon information in Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.2 of the Nursing Home Coverage Section of Part B of the 2008 Survey] to calculate a total policyholder-average daily rate statistic for each company. This number was aggregated across all the companies and then divided by the number of Massachusetts policies with nursing home coverage issued in 2008 [an aggregate of



what each company reported for Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.2 of the Nursing Home Coverage Section of Part B of the 2008 Survey] to derive the average daily nursing home coverage maximum for Massachusetts policyholders.

All figures reported for 2001 and 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

## **Table 14**

### National

In order to derive the percentage of national long-term care insurance policyholders who purchase home health care coverage, each company's total national number of policies with home health care coverage issued in 2008 [Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section of Part B of the 2008 Survey and Q.1 of the Home Health Coverage Section of Part B of the 2008 Survey] was aggregated into a statistic of the national number of policies with home health care coverage. This number was then divided by the total number of national long-term care insurance policies issued in 2008 [Q.2b of the History Section of Part A of the 2008 Survey] to derive the percentage of national long-term care insurance policies issued in 2008 with home health care coverage.

In order to derive the national average home health care daily benefit of long-term care insurance policyholders, a composite statistic was calculated for each company. Based upon the information submitted for a company, each company's national average daily benefit for home health care coverage issued in 2008 [Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.1 of the Home Health Coverage Section of Part B of the 2008 Survey] was multiplied by the number of national policies issued by the company in 2008 with home health care coverage [as calculated above based upon information in Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.1 of the Home Health Coverage Section of Part B of the 2008 Survey] to calculate a total policyholder-average daily rate statistic for each company. This number was aggregated across all the companies and then divided by the number of national policies with home health care coverage issued in 2008 [an aggregate of what each company reported for Q.1 of the Comprehensive Coverage (Nursing Home and Home Health Policy) Section and Q.1 of the Home Health Coverage Section of Part B of the 2008 Survey] to derive the average daily home health care coverage maximum for national policyholders.

All figures reported for 2001 and 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.

### Massachusetts

In order to derive the percentage of Massachusetts long-term care insurance policyholders who purchase home health care coverage, each company's total Massachusetts number of policies with home health care coverage issued in 2008 [Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section of Part B of the 2008 Survey and Q.2 of the Home Health Coverage Section of Part B of the 2008 Survey] was aggregated into a statistic of the Massachusetts number of policies with home health care coverage. This number was then divided by the total number of Massachusetts long-term care insurance policies issued in 2008 [Q.3b of the History Section of Part A of the 2008 Survey] to derive the percentage of Massachusetts long-term care insurance policies issued in 2008 with home health care coverage.

In order to derive the Massachusetts average home health care daily benefit of long-term care insurance policyholders, a composite statistic was calculated for each company. Based upon the information submitted for a company, each company's Massachusetts average daily benefit for home

health care coverage issued in 2008 [Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.2 of the Home Health Coverage Section of Part B of the 2008 Survey] was multiplied by the number of Massachusetts policies issued by the company in 2008 with home health care coverage [as calculated above based upon information in Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.2 of the Home Health Coverage Section of Part B of the 2008 Survey] to calculate a total policyholder-average daily rate statistic for each company. This number was aggregated across all the companies and then divided by the number of Massachusetts policies with home health care coverage issued [an aggregate of what each company reported for Q.2 of the Comprehensive Coverage (Nursing Home and Home Health Care Policy) Section and Q.2 of the Home Health Coverage Section of Part B of the 2008 Survey] for 2008 to derive the average daily home health care coverage maximum for Massachusetts policyholders.

All figures reported for 2001 and 2004 are taken from the Division's 2005 survey referenced in previous Exhibit notes.