

APPENDIX A



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MASSACHUSETTS DIVISION OF INSURANCE 2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

Carrier Name: _____
NAIC #: _____
Contact/Title: _____
Address: _____
Telephone: _____
FAX: _____
E-Mail: _____

Instructions:

IF YOUR COMPANY INSURES MASSACHUSETTS RESIDENTS IN GROUP AND INDIVIDUAL LONG TERM CARE INSURANCE POLICIES, PLEASE SUBMIT A SEPARATE SET OF RESPONSES.

The responses to this questionnaire pertain to:

GROUP long-term care insurance market _____

INDIVIDUAL long-term care insurance market _____

If your company is selling a "stop loss" product, administrative services only, or reinsurance long-term care to a self-funded plan, please check here. _____ (Please do not include information on this questionnaire about such "stop loss," administrative services only, or reinsurance for long-term care to a self-funded plan product.)

*** PLEASE RETURN BY NO LATER THAN TUESDAY, APRIL 16, 2002 ***

Massachusetts Division of Insurance
Attn. Robert L. McLaughlin, Senior Health Analyst
One South Station, 4 West
Boston, MA 02110-2208

or

By e-mail to: robert.mclaughlin@state.ma.us

THE STATEMENTS AND ANY ATTACHMENTS AND ENCLOSURES ACCOMPANYING THIS REPORT REPRESENT MY ORGANIZATION'S PARTICIPATION IN THE LONG-TERM CARE INSURANCE MARKET.

Print Name and Title

Signature

Date

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2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

History

1a) What year did your company begin marketing long-term care insurance products?

Nationally: _____

Massachusetts: _____

1b) If your company did, but no longer markets long-term care insurance products in Massachusetts, what year did your company cease marketing these products?

Nationally: _____

Massachusetts: _____

2. What is the total number of long-term care insurance policies (or certificates) that your company had in force **nationally** as of December 31:

1997	_____	2000	_____
1988	_____	2001	_____
1999	_____		

2b) **Nationally**, how many policies (or certificates) were initially issued during each of the following calendar years:

1997	_____	2000	_____
1988	_____	2001	_____
1999	_____		

3. What is the total number of long-term care insurance policies (or certificates) that your company had in force for **Massachusetts** residents as of December 31:

1997	_____	2000	_____
1988	_____	2001	_____
1999	_____		

3b) In **Massachusetts**, how many policies (or certificates) were initially issued during each of the following calendar years:

1997	_____	2000	_____
1988	_____	2001	_____
1999	_____		

4. What was the average age of your company's long-term care insurance policyholders **nationally** for:

1997	_____ years old	2000	_____ years old
1988	_____ years old	2001	_____ years old
1999	_____ years old		

5. What was the average age of your company's **Massachusetts** long-term care insurance policyholders for:

1997	_____ years old	2000	_____ years old
1988	_____ years old	2001	_____ years old
1999	_____ years old		

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

6. What percentage of long-term care insurance policyholders **nationally** were sold at issue age:

	<40	40-49	50-55	56-60	61-70	71-75	76+
1997	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1998	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1999	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2000	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2001	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

7. What percentage of long-term care insurance **Massachusetts** policyholders were sold at issue age:

	<40	40-49	50-55	56-60	61-70	71-75	76+
1997	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1998	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1999	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2000	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2001	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

8. What gross premium revenue did your company receive from long-term care insurance policies **nationally** for the years:

1997	\$ _____	2000	\$ _____
1988	\$ _____	2001	\$ _____
1999	\$ _____		

9. What gross premium revenue did your company receive from long-term care insurance policies **for Massachusetts** for the years:

1997	\$ _____	2000	\$ _____
1988	\$ _____	2001	\$ _____
1999	\$ _____		

10. Please complete the following table regarding actual earned premium, actual incurred claims, actual loss ratio incurred to premium earned percentage, actual loss incurred to premium earned percentage and number of covered lives for year 1997, 1998, 1999, 2000 and 2001.

Year	Actual earned premium	Actual incurred claims	Actual loss incurred to premium earned %	Projected loss incurred to premium earned %	Number of covered lives at year-end
1997	\$ _____	\$ _____	_____ %	_____ %	_____
1998	\$ _____	\$ _____	_____ %	_____ %	_____
1999	\$ _____	\$ _____	_____ %	_____ %	_____
2000	\$ _____	\$ _____	_____ %	_____ %	_____
2001	\$ _____	\$ _____	_____ %	_____ %	_____

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

11. Please complete the following table regarding projected earned premium, projected incurred claims, projected loss ratio incurred to projected premium earned percentage, and projected number of covered lives for year 2002, 2003, 2004, 2005 and 2006.

Year	Projected earned premium	Projected incurred claims	Actual loss incurred to premium earned %	Projected loss incurred to projected premium earned %	Projected number of covered lives at year-end
2002	\$ _____	\$ _____	NA	_____ %	_____
2003	\$ _____	\$ _____	NA	_____ %	_____
2004	\$ _____	\$ _____	NA	_____ %	_____
2005	\$ _____	\$ _____	NA	_____ %	_____
2006	\$ _____	\$ _____	NA	_____ %	_____

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

General Information

1. If your company does not sell long-term care insurance as a stand-alone product, is it sold as a component of one of the following:

long-term disability	_____ %	dreaded disease	_____ %
whole life insurance	_____ %	hospital indemnity	_____ %
term life insurance	_____ %	other (please specify)	_____ %
accident and sickness	_____ %	_____	_____ %
		_____	_____ %
		_____	_____ %
		_____	_____ %
		_____	_____ %

2. In how many states does your company market long-term care insurance? _____

3. Does your company market nursing home only in **Massachusetts**? Yes _____ No _____
 If yes, does this policy offer a rider for home health care benefits? Yes _____ No _____

4. Does your company issue a policy in **Massachusetts** with a pre-existing condition limitations? Yes _____ No _____
 If yes, please identify the maximum limitation period from the date of issue of the policy. _____

5. Does your company issue a policy in **Massachusetts** that covers pre-existing conditions without a limitation period if conditions are disclosed at the time of sale? Yes _____ No _____

6. In 2001, what percentage of **Massachusetts** long-term care policyholders bought a policy without a home health care benefit? _____ %

7. **Nationally**, does your company offer a long-term care policy that covers the following: (please check all applicable services)?

Nursing Home Care	_____	Adult Day Care	_____
Assisted Living	_____	Respite Care	_____
Home Health Care	_____	Other (please list)	_____
Personal Care	_____	_____	_____
Home Care	_____	_____	_____
Chore Care	_____	_____	_____

8. In **Massachusetts**, does your company offer a long-term care policy that covers the following: (please check all applicable services)?

Nursing Home Care	_____	Adult Day Care	_____
Assisted Living	_____	Respite Care	_____
Home Health Care	_____	Other (please list)	_____
Personal Care	_____	_____	_____
Home Care	_____	_____	_____
Chore Care	_____	_____	_____

Marketing and Agent Training

1. Does your company provide guidelines to agents regarding individual and group long-term care insurance products for potential customers? Yes ____ No ____ If yes, please describe these guidelines and the steps your company takes to encourage agents to comply with them.

2. Please indicate the methods by which your company markets long-term care insurance **nationally** and the percentage of premium written through each of the following:

independent agents	_____ %	direct marketing	_____ %
captive agents	_____ %	associations	_____ %
brokers	_____ %	other (please specify)	
		_____	_____ %
		_____	_____ %
		_____	_____ %
		_____	_____ %
		_____	_____ %

3. Please indicate the methods by which your company markets long-term care insurance in **Massachusetts** and the percentage of premium written through each of the following:

independent agents	_____ %	direct marketing	_____ %
captive agents	_____ %	associations	_____ %
brokers	_____ %	other (please specify)	
		_____	_____ %
		_____	_____ %
		_____	_____ %
		_____	_____ %
		_____	_____ %

4. Does your company provide guidelines to agents regarding the suitability of long-term care insurance for potential customers? Yes ____ No ____ If yes, please describe these guidelines and the steps your company takes to encourage agents to comply with them.

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

5. Does your company use a worksheet or other marketing material(s) to examine a potential applicant's financial situation or uses any other marketing material(s) that purport to provide guidance as to whether the applicant is suitable for long-term care insurance and subsequently notify the applicant that your company finds the applicant to be suitable for long-term care insurance? Yes ____ No ____ If yes, please forward a copy of the worksheet that your company utilizes.
6. If your company uses a worksheet to examine a potential applicant's financial situation, please indicate whether your company provides the insured with any notice concerning the applicant's suitability for your product(s). For purposes of this report, please forward a copy of that notice. ____%
7. What information, if any, does your company require about an applicant's assets? Please indicate any minimum income and asset requirements imposed on prospective purchasers of long-term care insurance.

Minimum income required: \$ _____

Minimum net worth required: \$ _____

List any other requirements:

8. Please identify when (*i.e.* time of policy proposal, upon delivery of policy, etc.) the following materials are provided to an applicant/policyholder in **Massachusetts**:

Your Options for Financing Long-term Care: A Massachusetts Guide	
Policy Illustration Form	
Outline of coverage	
Disclosure Regarding Suitability Standards	
Guide to Health Insurance for People with Medicare	
Copy of application	
Inflation Adjustment Benefit information	
Nonforfeiture Benefit information	
Home Health Care Benefit information	
Policy and riders	

9. What is the average commission paid to an agent or broker for a new long-term care policy in Massachusetts expressed as a percentage of gross premium? ____%

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

Comprehensive Coverage (Nursing Home and Home Health policy)

1. What percentage of your long-term care policyholders **nationally** purchased comprehensive coverage in 1997, 1998, 1999, 2000 and 2001? What was the average daily amount of nursing home coverage and home health coverage purchased **nationally**? In addition, please identify any additional services that that would be included/or offered with the plans (i.e. respite care, adult day care, chore care etc.)

Year	Policies issued	Average Nursing Home Daily Amount	Average Home Health Daily Amount
1997	_____	\$ _____	\$ _____
1998	_____	\$ _____	\$ _____
1999	_____	\$ _____	\$ _____
2000	_____	\$ _____	\$ _____
2001	_____	\$ _____	\$ _____

List of additional services:

2. What percentage of your **Massachusetts** long-term care policyholders purchased comprehensive coverage in 1997, 1998, 1999, 2000 and 2001? What was the average daily amount of nursing home coverage and home health coverage purchased **in Massachusetts**? In addition, please identify any additional services that that would be included/or offered with the plans (i.e. respite care, adult day care, chore care etc.)

Year	Policies issued	Average Nursing Home Daily Amount	Average Home Health Daily Amount
1997	_____	\$ _____	\$ _____
1998	_____	\$ _____	\$ _____
1999	_____	\$ _____	\$ _____
2000	_____	\$ _____	\$ _____
2001	_____	\$ _____	\$ _____

List of additional services:

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

Nursing Home Coverage

1. What percentage of your long-term care policyholders **nationally** purchased nursing home only coverage in 1997, 1998, 1999, 2000 and 2001? What was the average daily amount of nursing home coverage purchased **nationally** in 2001 by those who purchased this coverage?

Year	Policies issued	Average Daily Amount
1997	_____	\$ _____
1998	_____	\$ _____
1999	_____	\$ _____
2000	_____	\$ _____
2001	_____	\$ _____

2. What percentage of your **Massachusetts** long-term care policyholders purchased nursing home only coverage in 2001? What was the average daily amount of coverage purchased in 2001 by **Massachusetts** policyholders who purchased this coverage?

Year	Policies issued	Average Daily Amount
1997	_____	\$ _____
1998	_____	\$ _____
1999	_____	\$ _____
2000	_____	\$ _____
2001	_____	\$ _____

Home Health Coverage

1. What percentage of your long-term care policyholders **nationally** purchased home health only coverage in 2001? What was the average daily amount of home health coverage purchased **nationally** in 2001 by those who purchased this coverage?

Year	Policies issued	Average Daily Amount
1997	_____	\$ _____
1998	_____	\$ _____
1999	_____	\$ _____
2000	_____	\$ _____
2001	_____	\$ _____

2. What percentage of your **Massachusetts** long-term care policyholders purchased home health only coverage in 2001? What was the average daily amount of home health coverage in 2001 by **Massachusetts** policyholders who purchased this coverage?

Year	Policies issued	Average Daily Amount
1997	_____	\$ _____
1998	_____	\$ _____
1999	_____	\$ _____
2000	_____	\$ _____
2001	_____	\$ _____

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

Plan Maximum Benefit Distribution

1. What percentage of long-term care insurance policyholders **nationally** were sold the following Lifetime Maximum Benefit Periods (if benefit is a flat maximum, please estimate its “per day” equivalent)?

	365 days (1 Year)	730 days (2 years)	1095 days (3 years)	1460 days (4 years)	1825 days (5 years)	Unlimited days
1997	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1998	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1999	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2000	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2001	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

2. What percentage of long-term care insurance **Massachusetts** policyholders were sold the following Lifetime Maximum Benefit Periods (if benefit is a flat maximum, please estimate its “per day” equivalent)?

	365 days (1 Year)	730 days (2 years)	1095 days (3 years)	1460 days (4 years)	1825 days (5 years)	Unlimited days
1997	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1998	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1999	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2000	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2001	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

3. What percentage of long-term care insurance policyholders **nationally** were sold the following Daily Maximum Benefit Amounts (if benefit is a flat maximum, please estimate its “per day” equivalent)?

	<\$50	\$50-\$100	\$101-\$125	\$126-\$150	\$151-\$200	>\$200
1997	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1998	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1999	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2000	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2001	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

4. What percentage of long-term care insurance **Massachusetts** policyholders were sold the following Daily Maximum Benefit Amounts (if benefit is a flat maximum, please estimate its “per day” equivalent)?

	<\$50	\$50-\$100	\$101-\$125	\$126-\$150	\$151-\$200	>\$200
1997	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1998	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
1999	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2000	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
2001	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

5. Please indicate what percentage of long-term care insurance policyholders **nationally** were sold products with co-payment benefit designs and specify the co-payment design(s) offered.

6. Please indicate what percentage of long-term care insurance **Massachusetts** policyholders were sold products with co-insurance benefit designs and specify the co-insurance designs offered.

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

Elimination Period

- Has your company issued a policy **nationally** that requires the policyholder to only satisfy one elimination period during the policy's lifetime? Yes _____ No _____
If yes, is your company still issuing such a plan? Yes _____ No _____
- Has your company issued a policy **in Massachusetts** that requires the policyholder to only satisfy one elimination period during the policy's lifetime? Yes _____ No _____
If yes, is your company still issuing such a plan? Yes _____ No _____
If currently offered in **Massachusetts**, please identify the form number issued to **Massachusetts** policyholders. _____
- What percentage of policyholders **nationally** purchased coverage (based on issue age) with the following elimination periods? (If an elimination period is available but not purchased, please indicate with "NP.")

1997	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	____%	____%	____%	____%	____%	____%	____%
1-30 days	____%	____%	____%	____%	____%	____%	____%
31-45 days	____%	____%	____%	____%	____%	____%	____%
46-60 days	____%	____%	____%	____%	____%	____%	____%
61-90 days	____%	____%	____%	____%	____%	____%	____%
91 -120 days	____%	____%	____%	____%	____%	____%	____%
121 - 240 days	____%	____%	____%	____%	____%	____%	____%
241 - 365 days	____%	____%	____%	____%	____%	____%	____%

1998	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	____%	____%	____%	____%	____%	____%	____%
1-30 days	____%	____%	____%	____%	____%	____%	____%
31-45 days	____%	____%	____%	____%	____%	____%	____%
46-60 days	____%	____%	____%	____%	____%	____%	____%
61-90 days	____%	____%	____%	____%	____%	____%	____%
91 -120 days	____%	____%	____%	____%	____%	____%	____%
121 - 240 days	____%	____%	____%	____%	____%	____%	____%
241 - 365 days	____%	____%	____%	____%	____%	____%	____%

1999	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	____%	____%	____%	____%	____%	____%	____%
1-30 days	____%	____%	____%	____%	____%	____%	____%
31-45 days	____%	____%	____%	____%	____%	____%	____%
46-60 days	____%	____%	____%	____%	____%	____%	____%
61-90 days	____%	____%	____%	____%	____%	____%	____%
91 -120 days	____%	____%	____%	____%	____%	____%	____%
121 - 240 days	____%	____%	____%	____%	____%	____%	____%
241 - 365 days	____%	____%	____%	____%	____%	____%	____%

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

2000	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

2001	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

4. What percentage of **Massachusetts** policyholders purchased coverage (based on issue age) with the following elimination periods? (If an elimination period is available but not purchased, please indicate with "NP.").

1997	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

1998	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

1999	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

2000	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

2001	<40	40-49	50-55	56-60	61-70	71-75	76+
0 days	___%	___%	___%	___%	___%	___%	___%
1-30 days	___%	___%	___%	___%	___%	___%	___%
31-45 days	___%	___%	___%	___%	___%	___%	___%
46-60 days	___%	___%	___%	___%	___%	___%	___%
61-90 days	___%	___%	___%	___%	___%	___%	___%
91 -120 days	___%	___%	___%	___%	___%	___%	___%
121 - 240 days	___%	___%	___%	___%	___%	___%	___%
241 - 365 days	___%	___%	___%	___%	___%	___%	___%

5. **Nationally**, has your company issued policyholders coverage that include deductibles rather than elimination periods? (Please identify the deductible options available)

Deductible options available: _____

6. In **Massachusetts**, has your company issued policyholders coverage that include deductibles rather than elimination periods? (Please identify the deductible options available)

Deductible options available: _____

2002 LONG-TERM CARE INSURANCE QUESTIONNAIRE

Inflation Adjustment Benefit

1. What percentage of policyholders purchased inflation protection, by type of protection, **nationally**? (If an inflation coverage type is made available but not purchased, please indicate with "0.") Please provide the responses to this question as a percentage of policies initially issued during 2001.

3% simple interest rate	\$ _____	3% compound interest rate	\$ _____
5% simple interest rate	\$ _____	5% compound interest rate	\$ _____
10% simple interest rate	\$ _____	10% compound interest rate	\$ _____
Consumer Price Indices	\$ _____	Other (please specify)	\$ _____
		_____	\$ _____
		_____	\$ _____

2. What is the average cost of each of the inflation protection provisions purchased by policyholders **nationally**?

3% simple interest rate	\$ _____	3% compound interest rate	\$ _____
5% simple interest rate	\$ _____	5% compound interest rate	\$ _____
10% simple interest rate	\$ _____	10% compound interest rate	\$ _____
Consumer Price Indices	\$ _____	Other (please specify)	\$ _____
		_____	\$ _____
		_____	\$ _____

3. What percentage of **Massachusetts** policyholders purchased inflation protection, by type of protection? (If an inflation coverage type is made available but not purchased, please indicate with "0.") Please provide the responses to this question as a percentage of policies initially issued during 2001.

3% simple interest rate	\$ _____	3% compound interest rate	\$ _____
5% simple interest rate	\$ _____	5% compound interest rate	\$ _____
10% simple interest rate	\$ _____	10% compound interest rate	\$ _____
Consumer Price Indices	\$ _____	Other (please specify)	\$ _____
		_____	\$ _____
		_____	\$ _____

4. What is the average cost of each of the inflation protection provisions purchased by **Massachusetts** policyholders?

3% simple interest rate	\$ _____	3% compound interest rate	\$ _____
5% simple interest rate	\$ _____	5% compound interest rate	\$ _____
10% simple interest rate	\$ _____	10% compound interest rate	\$ _____
Consumer Price Indices	\$ _____	Other (please specify)	\$ _____
		_____	\$ _____
		_____	\$ _____

Nonforfeiture Benefits

1. Does your company offer nonforfeiture benefits in its long-term care insurance policies **nationally**? If so, please describe those that are offered (*i.e.* reduced paid-up, return of premium etc.) as well as noting what percentage of your policyholders purchased nonforfeiture benefits **nationally**. In addition, please identify the average cost of each of the nonforfeiture benefits purchased by policyholders **nationally**.

2. What percentage of your group policies sold **nationally** require nonforfeiture benefits? ____%
3. In **Massachusetts**, does your company offer all the above-noted nonforfeiture benefits in its long-term care insurance policies? If not, please explain which are not offered in Massachusetts.

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Federally Tax-Qualified Plans

1. Please complete the following table to indicate how many federally tax-qualified policies (or certificates) were issued **nationally** anytime during calendar years 1997 through 2001.

Policies in force at end of	Year of Purchase 1997	Year of Purchase 1998	Year of Purchase 1999	Year of Purchase 2000	Year of Purchase 2001
1997	_____	n.a.	n.a.	n.a.	n.a.
1998	_____	_____	n.a.	n.a.	n.a.
1999	_____	_____	_____	n.a.	n.a.
2000	_____	_____	_____	_____	n.a.
2001	_____	_____	_____	_____	_____

2. Please complete the following table to indicate how many federally tax-qualified policies (or certificates) were issued **in Massachusetts** anytime during calendar years 1997 through 2001.

Policies in force at end of	Year of Purchase 1997	Year of Purchase 1998	Year of Purchase 1999	Year of Purchase 2000	Year of Purchase 2001
1997	_____	n.a.	n.a.	n.a.	n.a.
1998	_____	_____	n.a.	n.a.	n.a.
1999	_____	_____	_____	n.a.	n.a.
2000	_____	_____	_____	_____	n.a.
2001	_____	_____	_____	_____	_____

State MassHealth (Medicaid) Qualified Plans

1. Please complete the following table to indicate how many policies or certificates were issued that were issued **in Massachusetts** during calendar years 2000 and 2001 that indicated on the policy that they were intended to qualify for certain MassHealth exemptions (as displayed on cover page of policy forms):

Policies in force at end of:	Year of Purchase 2000	Year of Purchase 2001
2000	_____	n.a.
2001	_____	_____

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Pricing – including Single Premium

1. What percentage of your long-term care policies **nationally** had any of the following restrictions on rate changes?

Permanent level premium	_____ %	Other	_____ %
Temporary level premium	_____ %		
Attained age	_____ %		
Restrictions on magnitude of allowable increases (such as flex bands)	_____ %		

2. What percentage of your long-term care policies in **Massachusetts** had any of the following restrictions on rate changes?

Permanent level premium	_____ %	Other	_____ %
Temporary level premium	_____ %		
Attained age	_____ %		
Restrictions on magnitude of allowable increases (such as flex bands)	_____ %		

3. What was the average annual premium paid, **nationally**, in 2001, 2000, 1999, 1998 and 1997 for policies issued in 1997, 1998, 1999, 2000 and 2001? Please complete the following table:

Policies in force at end of:	1997	1998	1999	2000	2001
1997	_____	n.a.	n.a.	n.a.	n.a.
1998	_____	_____	n.a.	n.a.	n.a.
1999	_____	_____	_____	n.a.	n.a.
2000	_____	_____	_____	_____	n.a.
2001	_____	_____	_____	_____	_____

4. What was the average annual premium paid, in **Massachusetts**, in 2001, 2000, 1999, 1998 and 1997 for policies issued in 1997, 1998, 1999, 2000 and 2001? Please complete the following table:

Policies in force at end of:	1997	1998	1999	2000	2001
1997	_____	n.a.	n.a.	n.a.	n.a.
1998	_____	_____	n.a.	n.a.	n.a.
1999	_____	_____	_____	n.a.	n.a.
2000	_____	_____	_____	_____	n.a.
2001	_____	_____	_____	_____	_____

5. What percentage of your non-group long-term care insurance policies are single premium?
_____ %

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6. What percentage of your single premium non-group long-term care insurance policies had claims within the following months of purchase?

less than 12 months	_____ %	36 - 59 months	_____ %
12 - 23 months	_____ %	>59 months	_____ %
24 - 35 months	_____ %	none before death of policyholder	_____ %

7. What percentage of your single premium long-term care insurance products have the following components?

nonforfeiture benefits	_____ %	assisted living benefits	_____ %
nursing home benefits	_____ %	inflation protection	_____ %
home health care benefits	_____ %		

Lapse Rates and Policy Replacement

1. Please complete the following table to indicate how many policies (or certificates) initially issued **nationally** during calendar year 1997 were still in force at the end of 1997, 1998, 1999, 2000 and 2001. Please complete the same information for policies (or certificates) that were initially issued **nationally** during 1997, 1998, 1999, 2000 and 2001 respectively:

Policies in Force at end of	Year of Purchase				
	1997	1998	1999	2000	2001
1997	_____	n.a.	n.a.	n.a.	n.a.
1998	_____	_____	n.a.	n.a.	n.a.
1999	_____	_____	_____	n.a.	n.a.
2000	_____	_____	_____	_____	n.a.
2001	_____	_____	_____	_____	_____

2. Please complete the following table to indicate how many policies (or certificates) that were initially issued in **Massachusetts** anytime during calendar year 1997 were still in force at the end of 1997, 1998, 1999, 2000 and 2001? Please complete the same information for policies (or certificates) that were initially issued in **Massachusetts** during 1997, 1998, 1999, 2000 and 2001 respectively:

Policies in Force at end of	Year of Purchase				
	1997	1998	1999	2000	2001
1997	_____	n.a.	n.a.	n.a.	n.a.
1998	_____	_____	n.a.	n.a.	n.a.
1999	_____	_____	_____	n.a.	n.a.
2000	_____	_____	_____	_____	n.a.
2001	_____	_____	_____	_____	_____

3. What was the average yearly mortality rate during the first five years of coverage for persons purchasing long-term care insurance **nationally** between 1997 and 2001? _____
4. What was the average yearly mortality rate during the first five years of coverage for **Massachusetts** persons who purchased your company's long-term care insurance products anytime between 1997 and 2001? _____
5. What is the average yearly rate that policy benefits were triggered during the first five years of coverage for persons who purchased your company's long-term care insurance products anytime **nationally** between 1997 and 2001? _____
6. What is the average yearly rate that policy benefits were triggered during the first five years of coverage for persons purchasing long-term care insurance between 1997 and 2001 in **Massachusetts**? _____
7. Does your company offer in any of its long-term care insurance policies offered **nationally** that provide policyholders the right to designate a person other than the policyholder to receive notice of lapse or termination? _____

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8. For purposes of this report, please complete the following table to indicate how many policies (or certificates) were issued in **Massachusetts** during calendar year 2000 and 2001 noting the number of policies sold as well as the number of policyholders that elected the right to designate a person other than the policyholder to receive notice of lapse or termination :

Year	# of policies issued	# of policies that elected designee
2000	_____	_____
2001	_____	_____

9. When a customer allows an existing policy **from a different company** to lapse and replaces the lapsed policy with a comparable new policy from your company, your company rates the new policy based upon the policyholder's [check only one]:

Current age _____ Other (please list): _____
Age at first purchase _____ _____

10. When a customer allows an existing policy **from your company** to lapse and replaces the lapsed policy with a comparable new policy from your company, your company rates the new policy based upon the policyholder's [check only one]:

Current age _____ Other (please list): _____
Age at first purchase _____ _____

11. When a customer is issued a policy **from a different company** and purchases an upgraded policy from your company, your company rates the new policy based upon the policyholder's [check only one]:

Current age _____ Other (please list): _____
Age at first purchase _____ _____

12. When a customer is issued a policy **from your company** and purchases an upgraded policy from your company, your company rates the new policy based upon the policyholder's [check only one]:

Current age _____ Other (please list): _____
Age at first purchase _____ _____

13. What controls or systems does your company have in place regarding replacement of long-term care policies with non-forfeiture provisions?

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14. When did your company implement controls described in your response to question #13 of this section?

15. Have the controls, described in your response to question #13 of this section, detected and/or prevented any inappropriate sales? Please describe.

Accelerated Death Benefits – Life and Disability Insurance

1. Does your company sell accelerated death benefit riders? Please describe the eligibility requirements.

2. What is the total number of accelerated death benefit riders (or policy amendments) that your company had in force **nationally** on December 31:

1997	_____	2000	_____
1998	_____	2001	_____
1999	_____		

3. What is the total number of accelerated death benefit riders (or policy amendments) that your company had in force in **Massachusetts** on December 31

1997	_____	2000	_____
1998	_____	2001	_____
1999	_____		

4. What gross premium revenue did your company receive from accelerated death benefits **nationally** for?

1997	\$ _____	2000	\$ _____
1998	\$ _____	2001	\$ _____
1999	\$ _____		

5. What gross premium revenue did your company receive from accelerated death benefits in **Massachusetts** for?

1997	\$ _____	2000	\$ _____
1998	\$ _____	2001	\$ _____
1999	\$ _____		

6. What was the average age of accelerated death benefit policyholders **nationally** by year?

1997	____ years old	2000	____ years old
1988	____ years old	2001	____ years old
1999	____ years old		

7. What was the average age of accelerated death benefit policyholders in **Massachusetts** for the years?

1997	____ years old	2000	____ years old
1988	____ years old	2001	____ years old
1999	____ years old		

Questions Pertaining to Employment-Based Group Policies Only

According to 211 CMR 65.04, the term "employment-based group policy" is defined as a certificate issued to an insured who is enrolled in a group policy issued to one or more employers or labor organizations, or to trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or a combination thereof, or for members or former members, or a combination thereof, of the labor organization."

1. What percentage of group policies issued in **Massachusetts** in 2001 were sold through entities other than employers or labor unions? _____%

If applicable, please list those other entities:

2. What percentage of group policies issued in **Massachusetts** in 2001 were issued through entities (*e.g.*, agents and brokers) that receive a commission or other remuneration for selling insurance? _____%

3. What percentage of group policies issued in **Massachusetts** in 2001 were guaranteed renewable? _____%

4. What percentage of group policies issued in **Massachusetts** in 2001 have elimination periods that do not exceed 100 days? _____%

5. What percentage of group policies issued in **Massachusetts** in 2001 contain a reinstatement provision? _____%

6. What are the terms of the reinstatement provision?

7. What percentage of group policies issued in **Massachusetts** in 2001 allow for alternate care benefits? _____%

8. What percentage of group policies issued in **Massachusetts** in 2001 allow for post-claims underwriting? _____%

9. What percentage of group policies issued in **Massachusetts** in 2001 require the insured or claimant to have an acute condition as a precedent to home health care benefits? _____%

10. What percentage of group policies issued in **Massachusetts** in 2001 require a stay in a hospital as a condition precedent to receipt of nursing home benefits?

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hospital as a condition precedent to receipt of nursing home benefits? _____%

11. What percentage of group policies issued in **Massachusetts** in 2001 require a stay in a hospital as a condition precedent to receipt of home health care benefits? _____%

12. What percentage of group policies issued in **Massachusetts** in 2001 require a stay in a nursing home as a condition precedent to receipt of home health care benefits? _____%

13. What percentage of group policies issued in **Massachusetts** in 2001 contain an exclusion for Alzheimer's disease? _____%

14. What percentage of group policies issued in **Massachusetts** in 2001 contain an exclusion for a mental or nervous disease (other than Alzheimer's disease)? _____%

Please list the diseases:

15. What percentage of group policies issued in **Massachusetts** in 2001 contain an exclusion for alcoholism or other chemical dependency? _____%

16. When a group policy is terminated while an insured is confined to a nursing home, please indicate the date when benefits cease? (please check the applicable box (x))

Date of group termination.

The date the insured is discharged from the nursing home.

When the policy lifetime maximum benefit period has expired.

Policy lifetime maximum benefit amount for nursing home benefits exhausted.

Other, please explain:

17. What percentage of group policies issued in **Massachusetts** in 2001 have the following employer/union and employee contributions towards premium?

Employee pays all of premium _____ %

Employer/union pay all premium _____ %

Premium sharing arrangement _____ %

18. What is the average percentage of the total premium that is paid by the employer and the percentage that is paid by the employee?

paid by employer _____ %

paid by employee _____ %

Questions Pertaining to Group Policies
Issued through a Group Trust or Group Association Only

According to 211 CMR 65.04, the term “group policy” is defined as the “certificate issued to an insured who is enrolled through a group trust or association to which the carrier has issued a long-term care insurance policy. For the purposes of 211 CMR 65.00, this does not include employment-based group policies.”

1. What percentage of policies issued nationally in 2001 were sold through group trust or association? _____%
2. What percentage of policies issued in **Massachusetts** in 2001 were sold through group trust or association? _____%

If applicable, please list each group trust or association:

3. What percentage of group trust or association policies issued in **Massachusetts** in 2001 were guaranteed renewable? _____%
4. What percentage of group trust or association policies issued in **Massachusetts** in 2001 have elimination periods that do not exceed 100 days? _____%
5. What percentage of group trust or association policies issued in **Massachusetts** in 2001 contain a reinstatement provision? _____%

6. What are the terms of the reinstatement provision?

7. What percentage of group trust or association policies issued in **Massachusetts** in 2001 allow for alternate care benefits? _____%
8. What percentage of group trust or association policies issued in **Massachusetts** in 2001 allow for post-claims underwriting? _____%
9. What percentage of group trust or association policies issued in **Massachusetts** in 2001 require the insured or claimant to have an acute condition as a precedent to home health care benefits? _____%
10. What percentage of group trust or association policies issued in **Massachusetts** in 2001 require a stay in a hospital as a condition precedent to receipt of nursing home benefits? _____%

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11. What percentage of group trust or association policies issued in **Massachusetts** in 2001 require a stay in a hospital as a condition precedent to receipt of home health care benefits? _____%
12. What percentage of group trust or association policies issued in **Massachusetts** in 2001 require a stay in a nursing home as a condition precedent to receipt of home health care benefits? _____%
13. What percentage of group trust or association policies issued in **Massachusetts** in 2001 contain an exclusion for Alzheimer's disease? _____%
14. What percentage of group trust or association policies issued in **Massachusetts** in 2001 contain an exclusion for a mental or nervous disease (other than Alzheimer's disease)? _____%

Please list the diseases:

15. What percentage of group policies issued in **Massachusetts** in 2001 contain an exclusion for alcoholism or other chemical dependency? _____%

16. When group trust or association policies are terminated while an insured is confined to a nursing home, please indicate the date when benefits cease? (please check the applicable box (x))

Date of group termination.

The date the insured is discharged from the nursing home.

When the policy lifetime maximum benefit period has expired.

Policy lifetime maximum benefit amount for nursing home benefits exhausted.

Other, please explain:

- CONCLUSION OF SURVEY -