

II. INTRODUCTION

This report includes the results of a survey (see Appendix A) conducted under M.G.L. c. 175 §4, which authorizes the Commissioner of Insurance to conduct special examinations of practices in the insurance market. All of the forty (40) companies which had long-term care insureds in 2004 completed the survey.

Companies were asked to complete separate surveys for individual and group products. Individual (non-group) products refer to long-term care plans sold directly to an individual, including:

- guaranteed renewable plans issued prior to April 1, 1989;
- plans issued in Massachusetts on or after April 1, 1989, approved according to the standards of Massachusetts regulation 211 CMR 65.00; and
- plans issued to individuals in other states who subsequently moved to Massachusetts. Group products include plans issued through an employer group, as well as those issued through an association or group trust incorporated inside or outside of Massachusetts.

Forty (40) companies (representing all of the twenty-six (26) companies marketing long-term care insurance products in 2004, as well as the fourteen (14) companies who are no longer selling new coverage, but continue to insure members in products that are closed to new enrollments) returned completed surveys. Twelve (12) companies submitted responses for both individual and group business (see Appendix B⁵). In reviewing company responses, the Division looked into any and all inconsistencies in reported information. The Division found if a company could not reliably report information to a question, that company's response was not used in statistics reported for a question.

The methodology associated with the statistics in this report is described in Appendix C and definitions pertinent to long-term care insurance are identified in Appendix D. The most current National Association of Insurance Commissioners ("NAIC") Long-Term Care Insurance Model Regulation is included in Appendix E.

As with previous reports, every reasonable effort has been made to review all surveys for completeness and to report information as accurately as possible. Information contained in a completed survey that appeared to be ambiguous, incomplete or clearly inaccurate was either confirmed or modified through follow-up inquiries with the company.

This report is based on responses certified by a company officer reflecting the experience of the company. The Division has not audited or otherwise verified that the responses are accurate.

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The Division received completed surveys from fifteen (15) companies for products in the group market and thirty-seven (37) companies for products in the individual market.