

Indiana Long Term Care Insurance Program

Quarter 4-2012 Report

October 1, 2012 thru December 31, 2012



Completed on 3/7/2014

QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 4-2012	TO DATE
Applications Received:	676	65,361
Applications Denied:	116	10,346
Applications Pending & Withdrawn:	N/A	164
Policies Purchased:	286	53,374
Policies Dropped (voluntarily & for unknown reasons*):	85	6,764
Policies Not Taken Up: (dropped within 30 day free look period)	5	2,632
Total Policies In Force (active):	N/A	41,334
Policyholders Who Received Service Payments:	480	1,474

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: October 1, 2012 thru December 31, 2012

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending December 31, 2012, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 286.**
- **Cumulatively, 65,361 applications have been submitted with over 53,374 policies purchased.**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 99.30% of all policies purchased in Q4'12 were comprehensive while < 1% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has decreased slightly to 99.30% of all sales in (Q4'12) compared to 100% of all sales in (Q4'11).**
- **61% of policies purchased during Q4'12 qualify for Total Asset Protection. Cumulatively, 68% of all policies purchased qualify for Total Asset Protection.**
- **74% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 77. Age range of purchasers is 18 to 89.**
- **Cumulatively, 75% of all policyholders were age 65 or under at the time of purchase.**

**Indiana Long Term Care Insurance Program:
Statistics for Quarter Ending December 31, 2012
In Comparison To Cumulative Program Statistics**

	Quarter ending 12-31-2012	Cumulative as of 12-31-2012
Total Policies Purchased	286	53,374
Total Policies Dropped *	154	11,762
	Died 58 (37.67%)	Died 2,206 (18.76%)
	Voluntarily 43 (27.92%)	Voluntarily 2,912 (24.76%)
	Unknown 42 (27.27%)	Unknown 3,852 (32.75%)
	Not Taken Up 5 (3.25%)	Not Taken Up 2,632 (22.38%)
	Converted 0	Converted 79 (<1%)
	Exhausted Benefits 5 (3.25%)	Exhausted Benefits 101 (00.86%)
	Rescission 0	Rescission 2 (<1%)
	Non-Forfeiture 1 (<1%)	Non-Forfeiture 49 (<1%)
Policies in Force	N/A	41,334

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	284 (99.30%)	38,106 (91.97%)
Nursing Home Only Policies	2 (00.70%)	3,327 (08.05%)
First Time Purchasers	280 (97.90%)	39,588 (95.78%)
Upgrades or Replacements	6 (02.10%)	1,744 (04.22%)
Individual	269 (94.06%)	39,282 (95.04%)
Group Certificates	1 (00.35%)	271 (00.66%)
Organization Sponsored	16 (05.59%)	1,779 (04.30%)
Male	131 (45.80%)	17,874 (43.24%)
Female	155 (54.20%)	23,459 (56.76%)
Married	250 (87.41%)	33,568 (80.43%)
Not Married	36 (12.59%)	7,804 (18.70%)
Other	0	366 (00.88%)

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 4, 2012

PARTICIPATING COMPANIES:

Allianz – Individual
American Republic – Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified
Central States of Omaha – Individual: Tax Qualified
CNA –Individual/Group: Tax Qualified
Continental General
CUNA Mutual
Genworth – Individual: Tax Qualified
Hartford Life – Individual: Tax Qualified
John Hancock – Individual: Tax Qualified
Massachusetts Mutual Insurance Company
MedAmerica – Individual & Group: Tax Qualified

Metropolitan Life - Individual: Tax Qualified
Monumental Life – Individual: Tax Qualified
Mutual of Omaha
Penn Treaty Network America - Individual
Prudential Ins. Co. of America – Tax Qualified
Senor Health Ins. Co. of PA – Tax Qualified
State Farm – Individual – Tax Qualified
The Travelers
The Thrivent for Lutherans
TransAmerica – Individual – Tax Qualified
United Teaches Associates Ins. Company

23 Companies provided data during Quarter 4, 2012

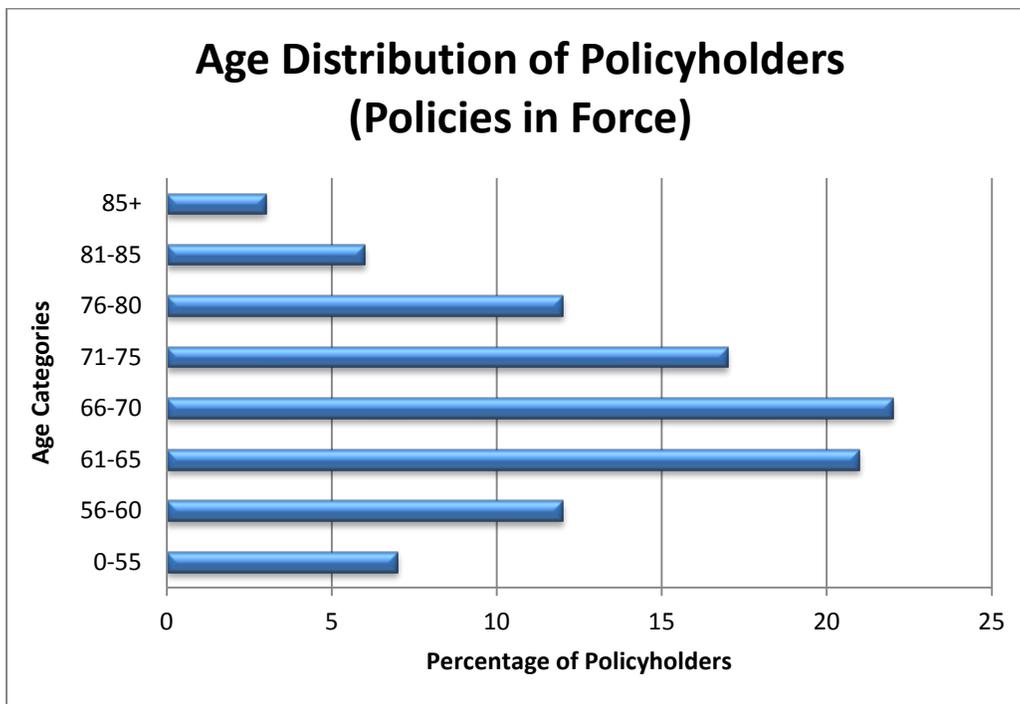
Age Distribution of Partnership Policyholders at Time of Purchase

Age Range Average Age

Policy Category	Low	High	Average Age
Individual Policyholders	18	89	60.84
Group Certificate holders	23	75	50.81
Organization Sponsored	20	84	57.19
All Insured	18	89	56.28

Age Distribution of Policyholders (Policies in Force)

Age Category	Percentage of Policyholders
86+	3
81-85	6
76-80	12
71-75	17
66-70	22
61-65	21
56-60	12
0-55	7



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$147.79

Mode: \$150.00

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$ 137.73

Mode: \$ 150.00

Elimination Periods (Policies in Force):

Nursing Homes:

0 days	3.6%
20 days	2.52%
30 days	12.93%
60 days	3.2%
90 days	46.31%
180 days	2.4%
365 days	<1%

Home and Community Care:

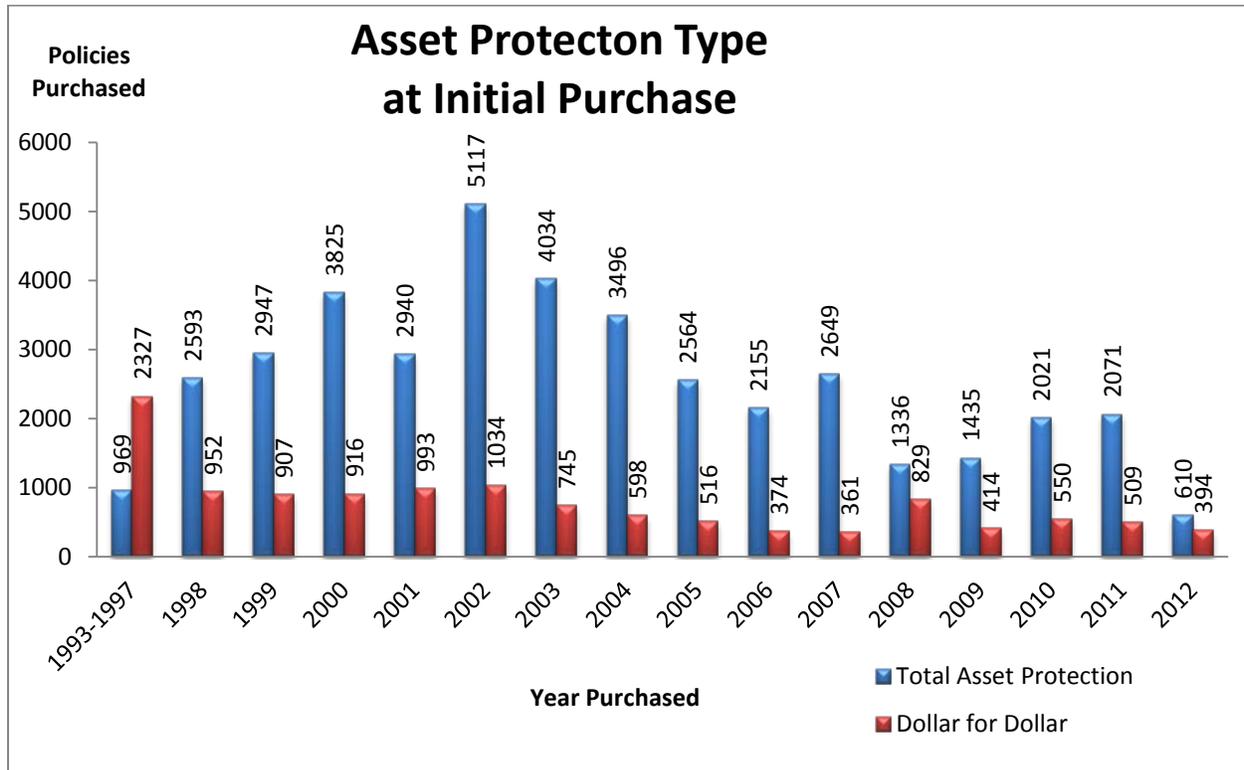
0 days	37.4%
20 days	2.2%
30 days	10.2%
60 days	2.5%
90 days	28.0%
180 days	1.8%
365 days	<1%

Riders:

Non-Forfeiture	177
Restoration of Benefits	516
Spousal Benefit Enhancement	930
Other Riders	1,424

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 4 2012	Cumulative at Time of Purchase
Policies Purchased by Quarter	286
Policies Purchased by Cumulative	53,374
Total Asset Protection by Quarter	175
Total Asset Protection by Cumulative	41,593
Dollar for Dollar by Quarter	111
Dollar for Dollar by Cumulative	12,041



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

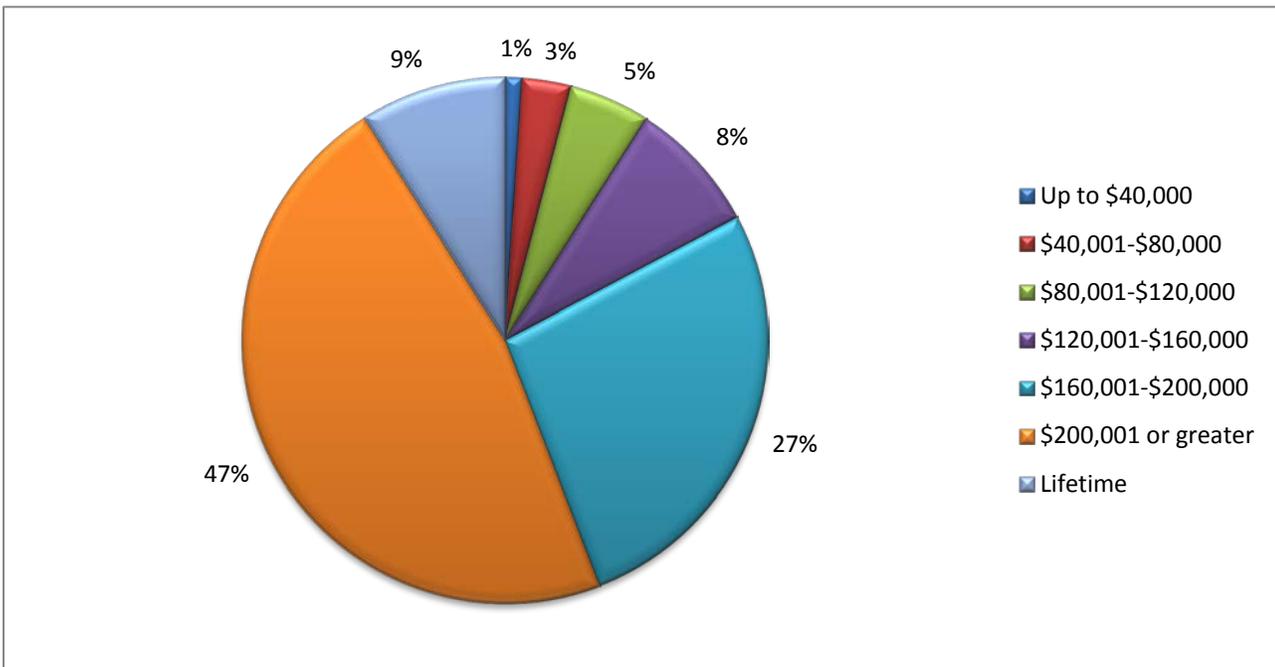
Maximum Policy Amount of Policies in Force:

Range: \$22,050 - \$4,516,875 (plus 3,862 lifetime policies)

Average amount: \$207,929 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)

Maximum Benefit Amount at Time of Purchase	Approx:	All Purchasers
Up to \$40,000	(1 yr)	321
\$40,001 - \$80,000	(2 yrs)	1,406
\$80,001 - \$120,000	(3 yrs)	2,187
\$120,001 - \$160,000	(4 yrs)	3,173
\$160,001 - \$200,000	(5 yrs)	10,951
\$200,001 or greater (excluding lifetime)	(6 yrs +)	19,443
Lifetime Policies		3,857



**Policyholders in Benefit
Information as of December 31, 2012**

Benefit Status

Number of policyholders, to date, who have received benefit payments.	1,474
Number of policyholders in benefit as of Quarter 4, 2012.	477
Number of policyholders that received benefits and have died.	533
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	50 (101 exhausted)

Asset protection earned by policyholders to date.	\$ 88,804,469
Asset protection earned to date that will not be accessed (policyholders who have died)	\$ 26,296,582

Service Utilization

Type of Service* (other than case management)	QTY	% of Total Claimants by Type of Service **
Nursing Home Care	1063	72.12%
Home Health Aide – hourly care	140	9.5%
Home Health Aide – daily care	207	14.04%
Attendant Care	10	>1%
Other Institutional	0	0
Hospital Bed Hold	235	15.94%
Assisted Living	342	23.20%
Adult Day Care	34	2.31%
Personal Care	81	5.50%
Alternate Level of Care	7	>1%

*These categories are not mutually exclusive; therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

CLAIMANT PROFILE
Cumulative Aggregate of All Policyholders Who Used Benefits
As of December 31, 2012

Gender	Female	66.6%
	Male	34.4%
Marital Status	Not Married	38.6%
	Married	57.2%
	Unknown	4.2%
Average Age At The Time Of Policy Purchase		71 years
Average Age At The Time Of Claim		79 years
Age Range At Time Of Claim	Range =	44 - 100
	Mean =	80
	Median =	81
Policy Type Owned:	Nursing Home Only	27%
	Nursing Home & Home Care	74%

Average time elapsed between purchase date and claim date was 9.65 years.