



DEPARTMENT OF

**Professional &  
Financial Regulation**

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

# Maine's Long-Term Care Insurance Partnership Program

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Maine Bureau of Insurance

Long-Term Care Insurance Forum,  
May 9, 2016

# Long-Term Care Partnership Policies

- Created to reduce reliance on MaineCare
- Special rules apply to MaineCare eligibility and estate recovery amounts
- The asset disregard is equal to the amount of insurance benefits paid out
- Asset protection in addition to the asset disregard otherwise allowed by MaineCare
- A dollar-for-dollar offset

# How Do Partnership Policies Work?

## Example:

If you receive \$200,000 of insurance benefits from a partnership policy, you will be able to retain \$200,000 of assets above the amount of assets normally permitted for MaineCare eligibility. The \$200,000 is also exempt from estate recovery.

# Requirements of a Partnership Policy

1. Qualified under federal tax law
2. Issued after July 1, 2009
3. Inflation protection for certain age groups
4. Insured must be a Maine resident when coverage first becomes effective
5. Certain consumer protections are required

# Inflation Protection

## Under age 61:

1. Annual benefit growth at a fixed percentage – 3% compounded, or
2. The consumer price index

## Age 61-75:

1. Annual benefit growth at a fixed percentage – 3% compounded, or
2. The consumer price index, or
3. Simple interest at a rate of at least 3%

## Age 76 and Older

- No inflation protection is required.
- But insurer must still *offer* inflation protection – Rule 425

## How does a Partnership Policy differ from a regular LTC Insurance Policy?

<b>Partnership Policy</b>	<b>Regular Policy</b>
Will pay for LTC in the policy benefit amount	Will pay for LTC in the policy benefit amount
Asset disregard – dollar-for-dollar offset	No asset disregard
Inflation protection required if insured is a certain age when they buy	Inflation protection not required
Qualified under federal tax law	Tax qualified status not required