

Did you receive notice of a premium increase?

The California Partnership for Long-Term Care (Partnership) is here to help you understand what this means to you. If you recently received a letter about a premium increase on your California Partnership policy, this fact sheet was developed to help you understand the options available to you. For questions, please send them to cpltc@dhcs.ca.gov.

Premium Increase Exceptions

Policyholders are not subject to premium increase if you are one of the following:

- » Waiver of Premium
- » Currently using policy benefits for a nursing facility or residential care facility

Premium Increase Protection Provision

The California Department of Insurance approves **all** premium increases. However, your Partnership policy has a rate cap that limits an insurance company's ability to raise rates over 40%. In addition, the total amount of any approved premium increase is spread equally over three years. The table illustrates how this works.

Year	Percent Increase
1	13.3%
2	13.3%
3	13.4%
	40%

What are my options?

Policyholders **may** be able to reduce benefits to help lessen the impact of a premium increase. Here are three possible options available for Partnership policies.

1. Choose to lower the current maximum daily benefit

- » Reduce the daily benefit by 50 percent
- » Reduce the daily benefit by 25 percent

2. Adjust the benefit period, inflation option (if included with the coverage), **or elimination period** (See chart below)

Possible Ways to Lower Premiums	
Option	Action
Benefit Period	Reduce to the lowest duration offered by the insurance company, but not below 12 months
Benefit Period	Reduce to the next highest duration on the insurer's approved rate schedule, but not below 12 months
Elimination Period	Increase to 90 days for a policy with an elimination period less than 90 days
Inflation Protection	Reduce from 5 percent compound to 3 percent compound or 5 percent simple
Inflation Protection	For policyholders 70 years of age and older – if policyholder incurred a 50% premium increase over the life of the policy, inflation protection may be reduced to 1 percent compound
Policy Conversion	Convert a policy to minimum coverage* Example: \$100 a day policy » one year » \$73,000 <i>*Check if insurer offers this policy in California</i>

3. Terminate riders, where applicable.

Welfare and Institutions Code:

[California Code, Welfare and Institutions Code - WIC § 22005.1 | FindLaw](#)

California Partnership for Long-Term Care

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