



OFFICE OF LABOR RELATIONS
EMPLOYEE BENEFITS PROGRAM

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Director, Financial Management Unit

MEMORANDUM

TO: Benefits Representatives/Payroll

FROM: Sang Hong, Deputy Director 

SUBJECT: Change in Premium Rates for Group Long-Term Care Insurance Program

DATE: December 22, 2017

This is in reference to the City of New York's Long-Term Care Program for those employees currently participating in Long-Term Care program through MetLife. Please note that the Long-Term Care program has been closed to any new entrants since September 2011.

MetLife submitted a rate increase request to the appropriate state insurance departments in November 2010 and MetLife obtained the required approvals in a sufficient number of states to implement the increase for the City of New York Long-Term Care program. The effective date of the increase for all impacted insureds enrolled in the Long-Term Care program will be January 1, 2018. The rate increases vary state by state. As for New York, the premiums will increase by 10%.

Notifications were sent by MetLife to the Long-Term Care participants' addresses on file, indicating the new increased premium amounts.

If the current Long-Term Care participants have any questions on their policy, they should contact MetLife directly at 1-800-438-6388.

Sample Insured Rate Increase Notification Letter with FAQ

Metropolitan Life Insurance Company
Long-Term Care
PO Box 990028, Hartford, CT 06199-0028



September 25, 2017

Joseph A. Smith
123 Main St.
New York, NY 10166

Group Name: MetLife
Group No.: 0012345

Re: Notice of Long-Term Care Insurance Premium Increase

Dear Joseph A. Smith:

This letter is to inform you of a premium (contribution) increase on your long-term care insurance certificate scheduled to take place on January 1, 2018, ("Effective Date of Increase"). Please read below for information about your current and increased premium amounts, as well as options that may be available to you to lessen the impact of the rate increase. **If you choose to maintain your current coverage at the increased premium, you need not take any action at this time.**

This premium increase was filed by Metropolitan Life Insurance Company (MetLife) and approved by the appropriate state regulator, where required. It impacts a broad group of certificateholders and is not based on any individual's personal factors such as age, health status or claims history. We understand how important your long-term care insurance coverage is to your personal financial plan. The decision to implement a premium increase was a difficult one and not taken lightly. It is important that you be aware that as explained in the Guaranteed Renewability statement in your certificate, and subject to any applicable regulatory approval, **MetLife reserves the right to increase rates in the future.**

Your current and increased premium amounts

The premium amount for your long-term care insurance coverage is scheduled to increase as indicated below on the Effective Date of Increase. Please note that the information regarding your current coverage provided in this letter may not reflect any recent coverage changes that have occurred or are scheduled to occur.

Current Premium Amount

\$750.00/Year

**Increased Premium Amount beginning on the
EFFECTIVE DATE OF INCREASE**

\$1,087.50/Year

Options to consider

- 1. Continue your current coverage by paying the increased premium amount when due**
No action is required by you.

2. Reduce your coverage

We are providing you with an opportunity to modify your coverage to reduce the impact of the increased premium:

Reduce your Nursing Home Daily Benefit Amount from \$150.00 to \$100.00. This will bring you to a revised premium of \$725.00/Year. Please be aware that reducing your Nursing Home Daily Benefit will impact your Total Lifetime Benefit as well as the level of benefits you are eligible to receive for other services covered under your certificate, such as Home Care and Care in an Assisted Living Facility.

If you wish to discuss other possible coverage decrease options, please call our customer service team at 1-800-438-6388. We ask that you review the information on the current cost of long-term care in your area, which is enclosed with this letter, before making any changes to your coverage.

3. End your coverage

If your coverage lapses due to cancellation or nonpayment of premium within 120 days following the first due date of the increased premium, you will be issued a Limited Coverage Upon Lapse Following Premium Increase Endorsement ("LCUL") which provides limited coverage as described below. *(Please note that this limited coverage does not provide the same level of coverage you currently have.)* Under LCUL, your Total Lifetime Benefit will be the greater of: the sum of all premiums paid and waived prior to lapse; **or** 30 times the Nursing Home Daily Benefit Amount in effect immediately prior to your date of lapse. Once LCUL goes into effect, your certificate will be considered "paid-up" with no further premiums due, and you will no longer receive increases under any inflation option. The reduced Total Lifetime Benefit payable under LCUL will not exceed the remaining Total Lifetime Benefit in effect immediately prior to your date of lapse.

Note: For certificateholders who are eligible for and meet the requirements for payment of benefits under the Contingent Benefit Upon Lapse Nonforfeiture Feature ("CBUL") as a result of this rate increase, we will instead provide coverage under LCUL, which provides a benefit that is equal to the benefit payable under CBUL. We will not pay benefits under both CBUL and LCUL.

You may call the customer service team at 1-800-438-6388 between the hours of 8:00 a.m. and 11:00 p.m. Eastern Time, Monday through Friday, to discuss your options in more detail.

Next Steps

- As you consider any coverage changes available to you, it is important that you review the current cost of long-term care in your area. We have enclosed information to help you with this process.
- If you choose to maintain your current coverage at the increased premium, you do not need to take any action at this time. Simply pay your increased premium when it becomes due.
- If you choose to decrease or cancel your coverage, please complete the enclosed Coverage Change / Cancellation Form and return it in the enclosed postage-paid envelope. If you are making a coverage change, we will need to receive your completed form by October 23, 2017 to ensure that any coverage changes take effect on the Effective Date of Increase coinciding with the premium increase. You may, however, request decreases in coverage at any time per the terms of your Certificate.

- While you are entitled to receive limited coverage under LCUL if your coverage lapses due to cancellation or nonpayment of premium within 120 days following the first due date of the increased premium, we will still need to receive your completed Coverage Change / Cancellation Form by October 23, 2017 if you wish to ensure that your cancellation is processed before the premium increase becomes effective.

Please note that any changes in your coverage that cause your premium to increase that take effect between now and the Effective Date of Increase will be calculated at the **increased** rates. We want to thank you for choosing to plan for your future long-term care insurance needs.



Director, Product Management & Compliance

Encl: Frequently Asked Questions
Cost of Care Chart
Coverage Change / Cancellation Form
Business Reply Envelope

State Approvals (50) and Rate Increase Percentages – Effective January 1, 2018

Insured Certificate Issue State	Percentage Increase
Alabama	10%
Alaska	45%
Arizona	10%
Arkansas	15%
California	10%
Colorado	10%
District of Columbia	10%
Delaware	31.9%
Florida	10%
Georgia	10%
Hawaii	10%
Idaho	45%
Illinois	10%
Indiana	11%
Iowa	10%
Kansas	20%
Kentucky	<70 = 45% 70 = 40% 71 = 35% 72 = 30% 73 = 25% 74 = 20% 75 = 15% 76 = 10% 77 = 5% >77 = 0%
Louisiana	45%
Maine	10%
Maryland	10%
Massachusetts	10%
Michigan	10%
Minnesota	15%
Mississippi	25%
Missouri	10%
Montana	45%
Nebraska	10%
Nevada	10%
New Hampshire	45%
New Jersey	10%
New York	10%
North Carolina	45%
North Dakota	10%
Ohio	45%
Oklahoma	45%
Oregon	10%
Pennsylvania	10%
Puerto Rico	45%
Rhode Island	10%
South Carolina	10%
South Dakota	45%
Tennessee	10%
Texas	Original Effective Date < 1/1/2003 = 39% Original Effective Date >= 1/1/2003 = 45%
Utah	45%
Virginia	10%
Virgin Islands	10%

Washington	45%
West Virginia	10%
Wisconsin	45%
Wyoming	10%

MetLife reserves the right to file for an additional rate increase.

State Variations:

- Kentucky: 45% rate increase with older ages (Issue age 70 and older) grading down by 5%. No rate increase for insureds with issue ages 78 and above.
- Wisconsin: Insureds with an attained age of 75 and older or who have had coverage in effect for at least ten years (as of rate increase effective date), the premium increase cannot exceed 10%.
- Texas: Certificate holders will receive a 39% increase if their original effective date is prior to 1/1/03 (pre-rate certification); certificate holders with original effective dates of 1/1/03 and later will receive a 45% increase.
- Delaware: Insureds issued coverage in Delaware will not have a rate increase if issue age is 80 years or older.