



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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KID-sponsored legislation provides more protection for long-term care policyholders

TOPEKA, Kan. — Kansas consumers who purchased a long-term care policy in the last three years now have additional financial guarantees under a Kansas Insurance Department-sponsored bill that was signed into law Monday.

Language in House Bill 2052 allows some long-term care policyholders to enhance policies to protect financial assets that might otherwise be used in paying for long-term care services, said Sandy Praeger, Commissioner of Insurance.

Gov. Kathleen Sebelius signed the legislation, which will become law July 1.

With the bill, existing Kansas policyholders who purchased long-term care coverage on or after Feb. 8, 2006, will be notified of the option to exchange their existing coverage for comparable coverage from their company that qualifies them for the Kansas Partnership for Long-Term Care program. The offer will be good for 45 days after the postmarked date of the notification letter from the insurance companies.

The policyholder's company will then issue a rider, endorsement or change in schedule page that shows the policy has the Partnership program exchange.

“The Partnership Program exchange keeps policyholders from having to ‘spend down’ to Medicaid eligibility if their insurance benefits run out,” Commissioner Praeger said. “With a Partnership-qualified long-term policy exchange, people can preserve how and where they use assisted care.”

For example, a person with a \$100,000 long-term care insurance exchange policy can protect that amount of personal assets once the policy benefits are used up and the person has then qualified for Medicaid assistance through the state of Kansas.

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“The plan encourages long-term care for all, encourages personal responsibility and emphasizes family financial planning,” Commissioner Praeger said.

The Kansas Legislature previously approved the Partnership initiatives in 2008.

A total of 24 states have approved Partnership initiatives, with 19 more working toward approval. The program began in the 1980s with four states. It was then offered to the remaining states through 2005 federal legislation, which went into effect on Feb. 8, 2006, following the passage of the 2005 Deficit Reduction Act.

Those with questions about long-term care insurance and the Partnership program should call the Kansas Insurance Department’s Consumer Assistance Division, 800-432-2484, or visit the department’s Web site, www.ksinsurance.org.

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The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at www.ksinsurance.org.