

The Virginia Long-Term Care Insurance Partnership Program

Some long-term care insurance policies sold in Virginia may qualify for the Virginia Long-Term Care Insurance Partnership Program (the "Partnership Program"). This Partnership Program is a partnership between state government and private insurance companies to assist individuals in planning for their long-term care needs. Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify under the Partnership Program, referred to as "Partnership Policies", may protect the policyholder's assets through a feature known as "Asset Disregard," under Virginia's Medicaid program.

Asset Disregard means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid after the policy benefits are exhausted. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply and special rules may apply to persons whose home equity exceeds \$500,000. Asset Disregard is **not** available under a long-term care insurance policy that is not a Partnership Policy. Therefore you should consider if Asset Disregard is important to you, and whether a Partnership Policy meets your needs. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

What are the Requirements for a Partnership Policy? In order for a policy to qualify as a Partnership Policy, it must, among other requirements:

- be issued to an individual after September 1, 2007;
- cover an individual who was a Commonwealth of Virginia resident when coverage first becomes effective under the policy;
- be a tax-qualified policy under § 7702(B)(b) of the Internal Revenue Code of 1986;
- meet stringent consumer protection standards; and
- meet the following inflation requirements:
 - for ages 60 or younger – provides compound annual inflation protection;
 - for ages 61 to 75 – provides some level of inflation protection; and
 - for ages 76 and older – no purchase of inflation protection is required.

Do MetLife's Individual Long-Term Care Insurance Policies Meet the Requirements for Partnership Policies?

MetLife's individual long-term care insurance policies were certified as Partnership Policies effective as of September 1, 2007. Such a policy qualifies as a Partnership Policy if it is issued to a Commonwealth of Virginia resident and includes an inflation protection rider on its initial effective date as follows:

- **if the insured is less than age 61 on the initial effective date of the policy**, the policy must include the 5% Automatic Compound Inflation Protection Rider;
- **if the insured is at least age 61 but less than 76 on the initial effective date of the policy**, the policy must include either the 5% Automatic Compound Inflation Protection Rider or the 5% Automatic Simple Inflation Protection Rider; and
- **if the insured is age 76 or older on the initial effective date of the policy**, no inflation protection is required (the policy is not required to include a rider to increase benefits).

What Could Disqualify a Policy as a Partnership Policy? Certain types of changes to a Partnership Policy could affect whether or not such policy continues to be a Partnership Policy. If you purchase a Partnership Policy and later decide to make any changes, you should first consult with us to determine the effect of a proposed change. In addition, if you move to a state that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that state.

The information contained in this notice is based on current Virginia and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Virginia's Medicaid program. If you have questions regarding MetLife's individual long-term care insurance policies, please write to us at MetLife [P.O. Box 937, Westport Connecticut 06881-0937] or call us at [(203) XXX-XXXX]. If you have any questions regarding current laws governing Medicaid eligibility, you should contact the Virginia Department of Medical Assistance Services.