

CalPERS Long-Term Care Insurance Program Conversion Options

CalPERS will offer policyholders in its Long-Term Care Insurance Program the following options to convert their policies to help them avoid future premium increases and maintain adequate benefits for their long-term care needs:

Retained Inflation (RI)

This policy conversion option allows all policyholders with built-in inflation protection (excluding California Partnership policies) the opportunity to drop their built-in inflation protection and retain the increased Daily Benefit Amount (DBA) they've earned. Without the RI option, if policyholders elect to drop their built-in inflation protection, their increased DBA drops to the original amount they had at the time of purchase.

Policyholders who drop their built-in inflation protection will be eligible for a Benefit Increase Option (BIO) allowing them to increase their DBA. The BIO is offered every three years to policyholders who do not have built-in inflation protection. Policyholders accepting the BIO offer will have to pay the increased premium amount required for the additional coverage.

10-Year/Retained Inflation

This policy conversion option is available only to policyholders with lifetime benefits with built-in inflation protection and provides an opportunity to convert to a 10-year benefit policy with Retained Inflation.

Optional Daily Benefit Amount

This option is for policyholders who dropped their built-in inflation protection or decreased their Daily Benefit Amount following the 2010 Long-Term Care premium increase. They will be able to increase their current DBA under this option, but they will also be required to participate in the RI option. Those taking advantage of this alternative will have to pay the additional premium costs associated with repurchasing up to 100 percent of the DBA they had at the time they elected to drop their built-in inflation protection or decreased their DBA. Underwriting will be waived for policyholders who elect this option.