*A Shopper’s Guide to*

LONG-TERM CARE

INSURANCE

 DRAFT 8-24-17





About the NAIC …

The **National Association of Insurance Commissioners** (NAIC) is the oldest association of state government officials. Its members are the chief insurance regulators in all 50 states, the District of Columbia, and five U.S. territories. State regulators’ primary responsibility is to protect insurance consumers’ interests, and the NAIC helps regulators do this in several different ways. This Shopper’s Guide is one example of the NAIC’s work to help states educate and protect consumers.

Another way the NAIC helps state regulators is by giving them a forum to develop uniform public policy when that’s appropriate. It does this through a series of model laws, regulations, and guidelines developed for the states’ use. States may choose to adopt the models intact or change them to meet the needs of their marketplace and consumers. As you read through this Shopper’s Guide, you’ll find several references to NAIC model laws or regulations related to long-term care insurance. Check with your state insurance department to find out if your state has enacted these NAIC models.

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**Table of Contents**

About this Shopper’s Guide 2

What Is Long-Term Care? 2

How Much Does Long-Term Care Cost? 3

Nursing Home Costs

Assisted Living Facility Costs

Home Health Care Costs

Who Pays For It? 4

Personal Resources 4

Medicare 4

Medicare Supplement Insurance

Medicaid 4

Will I Need Long-Term Care? 5

What is Long-Term Care Insurance? 6

Do I Need to Buy Long-Term Care Insurance? 7

What Types of Policies Can I Buy? 8

Individual Policies 8

Policies from My Employer 9

Policies from Federal or State Government

Association Policies 10

Policies Sponsored by Continuing Care

Retirement Communities 10

Life Insurance or Annuity Policies 10

Long-Term Care Insurance Partnership Policies 11

Tax-Qualified Policies 11

How Do Long-Term Care Insurance Policies Work?

How Benefits Are Paid

Pooled Benefits and Joint Benefits

What Services Are Covered

Where Services Are Covered

What Services Aren’t Covered?

How Much Coverage Will I Have?

When Will I Be Eligible for Benefits?

Types of Benefit Triggers

When Benefits Start

Inflation Protection

Other Benefits…………………………….

Other Long-Term Care Insurance Policy Options I Might Choose

What If I Can’t Afford the Premiums?

Will My Health Affect My Ability to Buy a Policy?

What Happens If I Have Pre-Existing Conditions?

Can I Renew My Long-Term Care Insurance Policy?

1. How Much Do Long-Term Care Insurance Policies Cost?

What Options Do I Have to Pay the Premiums?

If I Already Own a Policy, Should I Switch or Upgrade?

1. What Shopping Tips Should I Keep in Mind?

Glossary 34

Worksheet 1: Availability and Cost of Long-Term Care in My Area 38

Worksheet 2: Compare Long-Term Care Insurance Policies 40

Worksheet 3: Facts About My Long-Term Care Insurance Policy 45

Worksheet 4: Long-Term Care Riders to Life Insurance Policies 47

Worksheet 5. Long-Term Care Insurance

Personal Worksheet 49

List of State Insurance Departments, Agencies on Aging, and State Health Insurance Assistance Programs 52

Endnotes 63

**About This Shopper’s Guide**

The **National Association of Insurance Commissioners** (NAIC) wrote this Shopper’s Guide to help you understand long-term care and the insurance options that can help you pay for long-term care services. The decision to buy long-term care insurance is very important. You shouldn’t make it in a hurry. Most states’ laws require insurance companies or agents to give you this Shopper’s Guide to help you better understand long-term care insurance and decide which, if any, policy to buy. Some states produce their own shopper’s guide.

Take a moment to look at the table of contents and you’ll see the questions this Shopper’s Guide answers. Then read the Shopper’s Guide carefully. If you see a term you don’t understand, look in the glossary starting on page 34. (Terms in **bold** in the text are in the glossary.) Take your time. Decide if buying a policy might be right for you.

If you decide to shop for a long-term care insurance policy, start by getting information about the long-term care services and facilities you might use and how much they charge. Use the worksheets at the back of this Shopper’s Guide to write down information. Use Worksheet 1—*Availability and Cost of Long-Term Care in My Area* to collect information about the facilities and services in your area. Then, as you shop for a policy, use Worksheet 2—*Compare Long-Term Care Insurance Policies* to compare long-term care insurance policies.

**If you have questions, call your state insurance department or another consumer assistance agency in your state.** See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.

**What Is Long-Term Care?**

Someone with a long physical illness, a disability, or a **cognitive impairment** (such as **Alzheimer’s disease**) often needs long-term care. Many different long-term care services can help people with these conditions. Long-term care is different from medical care, because it generally helps you to live as you are instead of improving or correcting medical problems. Long-term care services may include help with **activities of daily living, home health care, respite care, hospice** **care,** or **adult day care.** Care may be given in a **nursing home**, an **assisted living facility,** a **hospice facility**, a day care facility, or in your own home. Long-term care also may include **care management services**, which evaluate your needs and coordinate and monitor your long-term care services.

Someone with a physical illness or disability often needs **hands-on** **assistance** or **stand-by assistance** with **activities of daily living** (see page 18). People with **cognitive impairments** often need supervision, protection, or verbal reminders to do everyday activities. Medical personnel such as registered nurses or professional therapists provide **skilled care** for medical conditions. This care usually is needed 24 hours a day, is ordered by a physician, and follows a plan. Individuals usually get skilled care in a **nursing home** but also may get it in other places. For example, you might get skilled care in your home with help from visiting nurses or therapists. Skilled care includes services such as physical therapy, wound care, or a professional who gives you medicine through an IV.

**NOTE:** **Medicare** has its own definition of **skilled care**. Refer to the www.medicare.gov web site to find out how Medicare defines skilled care, or get a copy of the current printed booklet, “Medicare & You,” from your state insurance department or **state health insurance assistance program**. (See the list of state insurance departments, agencies on aging, and state health insurance assistance programs starting on page 52.)

**Personal care** (sometimes called **custodial care**) helps a person with **activities of daily living** (ADLs.) These activities include **bathing, eating, dressing, toileting, continence,** and **transferring**. **Personal care** is less involved than **skilled care** and may be given in many settings.

**How Much Does Long-Term Care Cost?**

Long-term care can be expensive. The cost depends on the amount and type of care you need and where you get it. Below are some average annual costs for care in a nursing home, an **assisted living facility**, and your own home. Long-term care may cost more or less where you live.

***Nursing Home Costs***

In 2016, the national average cost of nursing home care was about $82,128 per year (for a semi-private room).[[1]](#endnote-1) This cost doesn’t include items such as therapies and medications, which could greatly increase the cost.

***Assisted Living Facility Costs***

In 2016, **assisted living facilities** reported charging $3,528 a month (for a one-bedroom unit) on average, or $43,536 each year, including rent and most other fees.[[2]](#endnote-2) Some residents in the facilities may pay more if they need more care.

***Home Health Care Costs***

In 2016, the cost of basic **home health care** averaged $21 per hour for a home health aide in the U.S. That’s $32,760 per year for a home health aide visiting six hours per day, five days a week..[[3]](#endnote-3) **Skilled care** from a nurse is more expensive. Annual costs for home health care depend on the number of days a week the caregiver visits, the type of care required, and the length of each visit. Home health care can be expensive if round-the-clock care is required. These costs are different across the country. Your state insurance department or the insurance counseling program in your state may know the costs for your area. (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.)

**Who Pays For It?**

People pay for long-term care in different ways. These include individuals’ or their families’ personal resources, long-term care insurance, and some help from **Medicaid** for those who qualify. **Medicare**, **Medicare supplement insurance**, and the health insurance you may have at work usually *will not pay* for long-term care.

***Personal Resources***

Individuals and their families usually use some of their own money to pay for part or all of their long-term care costs. Many use savings and investments. Some sell assets, such as their homes, to pay for their long-term care needs.

***Medicare***

**Medicare’s** skilled nursing facility (SNF) benefit covers very little of nursing home care.[[4]](#endnote-4) Medicare pays the cost of some **skilled care** in an approved nursing home or in your home, but only in specific situations. The SNF benefit only covers you if a medical professional says you need daily skilled care after you’ve been in the hospital for at least three days. You also must get that care in a nursing home that’s a Medicare-certified skilled nursing facility. While Medicare **may** cover *up to 100 days* of skilled nursing home care in each benefit period when you meet the conditions, after 20 days you must pay a coinsurance fee. In 2017, that coinsurance was $164.50 per day.[[5]](#endnote-5) While Medicare sometimes pays for skilled care, it doesn’t cover care in **assisted living facilities**.

While many people would like to receive care in their own homes, **Medicare** doesn't cover **homemaker services**. Also, Medicare doesn’t pay for home health aides to give you **personal care** unless you’re also getting **skilled care**, such as nursing or therapy. The **personal care** also must relate to treating an illness or injury. Also, you only can get a limited amount of care in any week.

**You should NOT count on Medicare to pay your long-term care costs.**

***Medicare Supplement Insurance***

**Medicare supplement insurance** (Medigap) is private insurance that helps pay for some of the gaps in **Medicare** coverage, such as hospital deductibles and physician charges greater than Medicare approves.

**Medicare supplement insurance** policies usually do **not** cover long-term care costs. However, four Medicare supplement insurance policies sold before June 1, 2010—Plans D, G, I, and J—did pay up to $1,600 each year for services to people recovering at home from an illness, injury, or surgery. The D and G plans sold after June 1, 2010, no longer include the “At-Home Recovery” benefit. The I and J plans aren’t sold now, but if you bought one of these plans before June 1, 2010, you could keep it.[[6]](#endnote-6) If you did and the plan has an “At-Home Recovery” benefit, it will pay for short-term, at-home help with **activities of daily living**. However, before you can use this benefit, you must qualify for **Medicare**-covered home health services.

***Medicaid***

**Medicaid** is the government-funded program that pays for nursing home care only for individuals who are low income and have spent most of their assets. Medicaid pays for nearly a third of all nursing home care in the U.S., but many people who need long-term care never qualify for Medicaid assistance.[[7]](#endnote-7) Medicaid also pays for some home- and **community-based services**. To get Medicaid help, you must meet federal and state guidelines for income and assets. Many people start paying for nursing home care out of their own money and “**spend down**” their income and assets until they’re eligible for Medicaid. Medicaid then may pay part or all of their nursing home costs. You may have to use up most of your assets paying for your long term care before Medicaid is able to help. You may be able to keep some assets and income for a spouse who stays at home. Also, you may be able to keep some of your assets if your long-term care insurance is approved by a state as a long-term care insurance **partnership** **policy**. (See section on “Long Term Care Insurance Partnership Policies” on page 11.)

 State laws differ about how much income and assets you can keep and still be eligible for **Medicaid**. (Some assets, such as your home, may not keep you from being eligible for Medicaid.) However, federal law requires your state to recover from your estate the costs of the Medicaid benefits you receive.[[8]](#endnote-8) **Contact your state Medicaid office, office on aging, or department of social services to learn about the rules in your state. The health insurance assistance program in your state also may have some Medicaid information.** (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.)

**Will I Need Long-Term Care?**

Your need for long-term care may increase over time as you need more and more help with **activities of daily living**, such as **bathing** or dressing. Or you may suddenly need long-term care after a major illness or injury, such as a stroke, heart attack, or broken hip. If you do need care, you may need nursing home or **home health care** for only a short time. Or, you may need these services for many months, years, or the rest of your life.

It’s hard to know if and when you’ll need long-term care, but the statistics that follow may help.

* Life expectancy after age 65 is now 19.4 years (20.6 years for females and 18 years for males). The longer people live, the greater the chance they’ll need help due to chronic conditions.[[9]](#endnote-9)
* About 11 million Americans of all ages require long-term care, but only 1.4 million live in nursing homes.[[10]](#endnote-10)
* About 70% of people who reach age 65 are expected to need some form of long-term care at least once in their lifetime.[[11]](#endnote-11)
* About 35% of people who reach age 65 are expected to enter a nursing home at least once in their lifetime. Of those who are in a nursing home, the average stay is a year.[[12]](#endnote-12)
* From 2015 to 2055, the number of people aged 85 and older will almost triple from over six million to over 18 million. This growth is certain to lead to an increase in the number of people who need long-term care.[[13]](#endnote-13)

***What is Long-Term Care Insurance?***

Long-term care insurance is one way you may pay for long-term care. This type of insurance will pay or reimburse you for some or all of your long-term care costs. It was introduced in the 1980s as nursing home insurance but now often covers services in other facilities. The rest of this Shopper’s Guide gives you information about long-term care insurance.

A federal law, the **Health Insurance Portability and Accountability Act** of 1996, or HIPAA, gives some federal income tax advantages to people who buy certain long-term care insurance policies. These policies are called **tax-qualified long-term care insurance policies** or simply qualified policies. The tax advantages of these policies are outlined on page 12. There may be other tax advantages in your state. You should check with your state insurance department or insurance counseling program for information about **tax-qualified policies**. (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.) Check with your tax advisor to learn if the tax advantages make sense for you.

**Do I Need To Buy Long-Term Care Insurance?**

Whether you should buy a long-term care insurance policy depends on your age, health, overall retirement goals, income, and assets. For instance, if your only source of income is a Social Security benefit or Supplemental Security Income (SSI), you probably shouldn’t buy long-term care insurance, as you may not be able to afford the premium.

On the other hand, if you have a large amount of assets but don’t want to use them to pay for long-term care, you may want to buy a long-term care insurance policy. Many people buy a policy because they don’t want the government or their family to have to care for them or pay for their care. However, you shouldn’t buy a policy if you can’t afford the premium or aren’t sure you can pay the premium, including any increases, for the rest of your life.

If you already have health problems that could lead to long-term care (for example, **Alzheimer’s disease** or Parkinson’s disease), you probably won’t be able to buy a policy. Insurance companies have medical **underwriting** standards to keep the cost of long-term care insurance affordable. If companies didn’t have these standards, most people wouldn’t buy insurance until they needed long-term care.

In some states, a regulation requires the insurance company and agent to go through a personal worksheet with you (Worksheet 5—*Long-Term Care Insurance Personal Worksheet* in the back of this Shopper’s Guide) to decide if long-term care insurance is right for you. The worksheet describes the premium for the policy you’re thinking about buying. It also asks you questions about the source and amount of your income and the amount of your savings and investments. Some states require you to fill out the worksheet and send it to the insurance company. Even if you aren’t required to fill out the worksheet, it might help you decide if long-term care insurance is right for you.

 Remember, not everyone should buy a long-term care insurance policy. For some, a policy is affordable and worth the cost. For others, it costs too much. Or the policy they can afford doesn’t offer enough **benefits** to make it worthwhile. You should **not** buy long-term care insurance if the only way you can afford to pay for it is to not pay other important bills. Look closely at your needs and resources. Talk with a trusted family member or friend to decide if long-term care insurance is right for you. (There are several worksheets in the back of this Shopper’s Guide that will help as you think about whether you should buy long-term care insurance.)

**Is Long-Term Care Insurance Right For You?**

You should **NOT** buy long-term care insurance if:

• You can’t afford the premiums.

• You don’t have many assets.

• Your only source of income is a Social Security benefit or Supplemental Security Income (SSI).

• You often have trouble paying for utilities, food, medicine, or other important needs.

• You are on **Medicaid**.

**You SHOULD consider buying long-term care insurance if:**

• You have many assets and/or a good income.

• You don’t want to use most or all of your assets and income to pay for long-term care.

• You can pay the insurance premiums, including possible premium increases, without a problem.

• You don’t want to depend on support from others.

• You want to be able to choose where you receive care.

If, after careful thought, you decide that long-term care insurance is right for you, check out the company and the agent, if one is involved, before you buy a policy. Worksheets 2 and 3 will help you to understand and compare policies. Insurance companies and agents must be licensed to sell long-term care insurance in your state**. If you have questions about licensing, contact your state insurance department**. (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.)

**What Types of Policies Can I Buy?**

Private insurance companies sell long-term care insurance policies. You can buy an individual policy from an agent or through the mail. Or, you can buy coverage under a group plan through an employer or through membership in an association. The federal government and several state governments offer long-term care insurance coverage to their employees, retirees, and their families. This program is voluntary, and participants pay the premiums. You also can get long-term care **benefits** through some life insurance policies.

***Individual Policies***

Today, most long-term care insurance policies are sold to individuals. Insurance agents sell many of these policies, but companies also sell policies through the mail or by telephone. Individual policies can be very different from one company to the next. Also, policies from the same company may be different from each other. You should shop among policies, companies, and agents to get the coverage that best fits your needs.

***Policies from My Employer***

Your employer may offer a group long-term care insurance plan or individual policies at a group discount. More employers now offer this benefit,[[14]](#endnote-14) especially since the **Health Insurance Portability and Accountability Act (HIPAA)** gave employers a federal tax benefit when they pay for their employees’ long-term care insurance.

 The employer group plan may be similar to an individual policy you could buy. One advantage of an employer group plan for active employees is you may not have to meet any medical requirements to get a policy, or the medical screening process may be more relaxed. Many employers also let retirees, spouses, parents, and parents-in-law apply for this coverage. Relatives usually must pass the company’s medical screening to qualify for coverage and must pay the premium.

Insurance companies usually must let you keep your coverage if you leave your job, you are fired, or your employer cancels the group plan. You also must have the choice to convert your policy to another long-term care insurance policy. Your premiums and **benefits** may change, however.

If an employer offers long-term care insurance, think about it carefully. An employer group plan may give you options you can’t find if you buy a policy on your own.

***Policies from Federal or State Government***

Federal and U.S. Postal Service employees and annuitants, members and retired members of the uniformed services, and qualified relatives of any of these are eligible to apply for long-term care insurance coverage under the Federal Long Term Care Insurance Program. Private insurance companies underwrite the insurance, and the federal government doesn’t pay any of the premiums. The group rates under this program may or may not be lower than individual rates, and the **benefits** also may be different.[[15]](#endnote-15)

If you (or a member of your family) are a state or public employee or retiree, you may be able to buy long-term care insurance under a state government program.

***Association Policies***

Many associations let insurance companies and agents offer long-term care insurance to their members. These policies are like other long-term care insurance policies and typically require medical **underwriting**. Like employer group plans, association policies usually give their members a choice of **benefits**. In most cases, policies sold through associations must let members keep or convert their coverage after they leave the association. Be careful about joining an association just to buy any insurance coverage. Review your rights if you or the company ends your coverage.

***Policies Sponsored by Continuing Care Retirement Communities***

Many **Continuing Care Retirement Communities** (CCRC) offer or require you to buy long-term care insurance. A CCRC is a retirement complex that offers a broad range of services and levels of care. You must be a resident or on the waiting list of a CCRC to qualify. You also must meet the insurance company’s medical requirements to buy its long-term care insurance policy. The coverage is similar to other group or individual policies.

***Life Insurance or Annuity Policies***

Some life insurance and deferred annuity policies have a built-in benefit to pay for long-term care expenses such as **home health care**, assisted living, or nursing home care. Also, some companies let you buy more long-term care coverage than the amount of your death benefit or annuity value in the form of a **rider**. A rider is a separate benefit that is attached to the basic policy.

A life insurance death benefit you use while you’re alive is an **accelerated death benefit**. A life insurance policy that uses an accelerated death benefit to pay for long-term care expenses also may be called a “life/long-term care” policy. It may be an individual or a group life insurance policy. The company pays you the actual charges for the long-term care you receive, but no more than a certain percent of the policy’s death benefit each day or month. Policies may pay part or all of the death benefit for qualified long-term care expenses.

If your life insurance policy has a cash value, some companies offer another way to pay for long-term care. You might be able to withdraw some or all of your policy’s cash value to pay long-term care expenses.

A deferred annuity often will let you withdraw some of the value to pay long-term care expenses without paying a surrender charge. Another type of built-in benefit pays for your long-term care expenses after you have spent the value of the annuity on them. For example, suppose you have $100,000 in a deferred annuity with this benefit. After you’ve spent the $100,000 on long-term care, the annuity would pay a fixed amount toward any future long-term care expenses.

With either option, it’s important to remember that using money from your life insurance policy or annuity to pay for long-term care will have other effects. For example, if you use a deferred annuity to cover long-term care expenses, you’ll have less money in the annuity. If you use money from your life insurance policy to pay for long-term care, your beneficiary will get a smaller death benefit. For example, suppose your policy has a $100,000 death benefit and you use $60,000 for long-term care. Then your beneficiary will get a $40,000 death benefit, not $100,000. The cash value of your policy also could be lower. Use Worksheet 4 in the back of this Shopper’s Guide to help you evaluate using a life insurance policy to pay for long-term care services.

***Long-Term Care Insurance Partnership Policies***

In some states, there are long-term care insurance **partnership policies** that help you manage the financial impact of spending down to meet **Medicaid** eligibility standards. When you buy a partnership policy, you’re protected from the normal Medicaid requirement to **spend down** your income and assets to become eligible.

In most states, you don’t have to use up all of your partnership policy **benefits** to qualify for **Medicaid**. In most states, you can qualify for Medicaid *and* keep income and assets equal to the amount of claims your partnership policy paid.

Partnership policies must be federally tax-qualified plans. They also must include certain consumer protections. They must include **inflation protection** **benefits** so **benefits** keep up with increasing long-term care costs over time. Partnership policies are required to include inflation protection only for those who are 75 or younger when they buy the policy. The requirements are:

* + - Compound annual **inflation protection** for those younger than age 61.
		- Some level of inflation protectionfor those ages 61 to 75.

How will you know if you have a **partnership policy**? The insurance company will either give you that information in writing with your policy or send you a letter. Either way, it’s very important to keep this notice.

Please keep in mind that **partnership policies** have specific requirements. They aren’t offered in every state. **Check with your state insurance department or insurance assistance program to learn if these policies are available in your state.** Many states with long-term care partnership policies have information about them on their web sites. Use this link to locate your state’s insurance department website: www.naic.org/state\_web\_map.htm. Also, the U.S. Department of Health and Human Services maintains a website at www.longtermcare.gov with information about long-term care insurance and partnership policies.

**Tax-Qualified Policies**

You may have a choice between a federally “tax-qualified” long-term care insurance policy and one that is “non-tax-qualified.” The differences between the two types of policies are important. A **tax-qualified policy**, or a qualified policy, offers certain federal income tax advantages. If you itemize your income tax deductions (about 29.6% of U.S. tax filers itemize[[16]](#endnote-16)), you may be able to deduct part or all of the premium you pay for a qualified policy. You can deduct total medical expenses, including your long-term care insurance premium, that are greater than 10% of your adjusted gross income (Effective Jan. 1, 2017). The most you can deduct for your long-term care insurance premium depends on your age, as shown in the table.

|  |  |
| --- | --- |
| **Your Age**  | **Maximum Amount You Can Deduct** |
| 40 years old or younger | $410 |
| Older than 40 but younger than 50 | $770 |
| Older than 50 but younger than 60 | $1,530 |
| Older than 60 but younger than 70 | $4,090 |
| Older than 70 | $5,110 |

*2017 figures.[[17]](#endnote-17) These amounts will increase annually based on the Medical Consumer Price Index.*

If you bought a long-term care insurance policy before January 1, 1997, that policy is probably qualified. HIPAA allowed these policies to be “grandfathered,” or considered qualified, even though they may not meet all of the standards that new policies must meet to be qualified. The tax advantages are the same whether the policy was sold before or after 1997. You should carefully consider the advantages and disadvantages of trading a grandfathered policy for a new policy. In most cases, it’s to your advantage to keep your old policy.

Long-term care insurance policies sold on or after January 1, 1997, as tax-qualified must meet certain federal standards. To be qualified, policies must be labeled as tax-qualified, be **guaranteed renewable**, include a number of consumer protections, and cover only qualified long-term care services.

Qualified long-term care services usually are those from long-term care providers. You must be **chronically ill**. Also, the care must follow a plan that a licensed health care practitioner prescribes. You’re considered chronically ill if it’s expected that you’ll be unable to do at least two **activities of daily living** without **substantial assistance** from another person for at least 90 days. Another way you may be considered chronically ill is if you need **substantial supervision** to protect your health and safety because you have a **cognitive impairment**. A policy issued to you before January 1, 1997 doesn’t have to define chronically ill this way. (See information about **benefit triggers** on page 18.)

Some life insurance policies with long-term care **benefits** may be tax-qualified. You may be able to deduct the premiums you pay for long-term care benefits from a life insurance policy. However, be sure to check with your personal tax advisor to learn how much of the premium can be deducted as a medical expense.

The long-term care **benefits** paid from a tax-qualified life insurance policy with long-term care benefits generally aren’t taxed as income. Tax-qualified life insurance policies with long-term care benefits must meet the same federal standards as other tax-qualified policies, including the requirement that you must be **chronically ill** to receive benefits.

**How Do Long-Term Care Insurance Policies Work?**

Long-term care insurance policies aren’t standardized like **Medicare supplement insurance**. Companies sell policies that combine **benefits** and coverage in different ways.

***How Benefits Are Paid***

Long-term care insurance policies generally pay **benefits** using one of three different methods: the **expense-incurred method**, the **indemnity method**, or the **disability method**. It’s important to read the information that comes with your policy (or certificate for group policies) and to compare the benefits and premiums.

When your policy or certificate uses the **expense-incurred method**, it pays **benefits** only when you receive eligible services. The insurance company must decide if you’re eligible for benefits and if your claim is for eligible services. Only then are benefits paid, either to you or your provider. The coverage pays for either the expense or the dollar limit of your policy, whichever is less. Most policies bought today pay benefits using the expense-incurred method.

When a policy or certificate uses the **indemnity method**, the benefit is a set dollar amount. The **benefit** isn't based on the specific services you received or on the expenses incurred. The insurance company only needs to decide if you’re eligible for benefits and if the policy covers the services you’re receiving. Once it makes that decision, the insurance company pays that set amount directly to you, up to the limit of the policy.

When a policy uses the **disability method**, you’re only required to meet the benefit eligibility criteria. Once you do, you receive your full **daily benefit**, even if you’re not receiving any long-term care services.

**Qualified and Non-Tax Qualified Policies**

|  |  |
| --- | --- |
| Federally Tax-Qualified Policies | Federally Non-Tax-Qualified Policies |
| 1. You can include premiums with other uncompensated medical expenses as income tax deductions if the total is greater than 10% of your adjusted gross income (Effective Jan. 1, 2017). There’s a cap on how much you can claim for long-term care insurance premiums. | 1. You may or may not be able to deduct any part of your annual premiums. Congress and the U.S. Department of the Treasury haven’t clarified this area of the law. |
| 2. Benefits you receive and use to pay for long-term care services generally aren’t counted as income. Benefits you receive from policies that use the expense-incurred method may be taxable if the benefits are greater than the costs of long-term care services. All benefit payments up to the federally approved per diem (daily) rate are tax-free from policies that use the indemnity or disability methods, even if the benefits are greater than your expenses. | 2. The benefits you receive may or may not count as income. Congress and the U.S. Department of the Treasury haven’t clarified this area of the law.  |
| 3. To trigger the benefits under your policy, the federal law requires you to be unable to do two ADLs without substantial assistance.  | 3. Policies can offer a different combination of benefit triggers. Benefit triggers aren’t restricted to two ADLs.  |
| 4. Policies can’t use “medical necessity” as a benefit trigger. | 4. The benefit triggers can be “medical necessity” and/or other measures of disability. |
| 5. Policies can require that a person be chronically ill or have disability lasting at least 90 days. | 5. Policies don’t have to require the disability to last at least 90 days. |
| 6. Policies that cover cognitive impairment must require “substantial supervision” as a benefit trigger. | 6. Policies don’t have to require “substantial super-vision” to trigger benefits for cognitive impairments. |

*Whether you buy a tax-qualified or a non-tax-qualified policy, consult with your tax consultant or legal advisor about the tax consequences for you.*

***Pooled Benefits and Joint Policies***

You may be able to buy a long-term care insurance policy that covers more than just one person, or more than one kind of long-term care service. The **benefits** these policies provide often are called “**pooled benefits**.”

One type of pooled benefit covers more than one person, such as a husband and wife, or domestic partners, or two or more related adults. This type of benefit sometimes is called a “joint policy” or a “joint **benefit**.” The total benefit usually applies to all of the individuals the policy covers. If one covered individual collects benefits, that amount is subtracted from the total policy benefit. For example, suppose a husband and wife have a **pooled** **benefits** policy that pays $150,000 in total long-term care benefits, and the husband uses $25,000 in benefits. Then $125,000 would be left to pay benefits for either the husband or the wife or both.

Another kind of pooled **benefit** lets you use a total dollar amount for various long-term care services. These policies pay a daily, weekly, or monthly dollar limit for one or more covered services. You can combine benefits in ways that best meet your needs. This gives you more control over how you spend your benefits. For example, you could choose to combine the home care and community-based care benefits instead of using the nursing home benefit.

Some policies provide both types of pooled benefits. Other policies provide one or the other.

***What Services Are Covered***

It’s important that you understand what services your long-term care insurance policy covers and how it covers the many types of services you might need to use. Policies may cover the following:

* **Nursing home care**
* **Home health care**
* **Respite care**
* **Hospice care**
* **Personal care** in your home
* Services in **assisted living facilities**
* Services in **adult day care** centers
* Services in other community facilities

Policies may cover **home health care** in several ways. Some long-term care insurance policies only pay for care in your home from licensed home health agencies. Some pay for care from licensed health care providers who are not from a licensed agency. These include licensed practical nurses; occupational, speech, or physical therapists; and licensed home health care aides. Other policies may pay for services from home health care aides to help with **personal care** who may not be licensed or aren’t from licensed agencies. You may find a policy that pays for **homemaker services** or chore worker services. This type of benefit, though not available in all policies, would pay for someone to come to your home to cook meals and run errands. Generally, adding home care **benefits** to a policy also increases the cost of the policy.

**NOTE**: Some policies pay **benefits** to family members who give care in the home.

***Where Services Are Covered***

You should know what types of facilities your long-term care policy covers. If you’re not in the right type of facility, the insurance company can refuse to pay for eligible services. There may be new kinds of facilities in the future. It’s important to know if your policy will cover them.

 Some policies may pay for care in any state-licensed facility. Others only pay for care in some state-licensed facilities, such as a licensed nursing facility. Still others list the types of facilities where services won’t be covered, which may include state-licensed facilities. (For example, some places that care for elderly people are referred to as homes for the aged, rest homes, or **personal care homes**, and often aren’t covered by long-term care policies.) Some policies may list specific points about the kinds of facilities they’ll cover. Some say the facilities must care for a certain number of patients or give a certain kind of care.

When you shop for a long-term care policy, carefully compare the types of services and facilities the policy covers. Also know that many states, companies, and policies define **assisted living facilities** differently. Policies that cover assisted living facilities in one state may not cover services in an assisted living facility in another state. Before you move or retire to another state, ask if your policy covers the types of services and facilities available in your new state. Also, if your policy lists kinds of facilities, check if your policy requires the facility to have a license or certification from a government agency.

**NOTE:** If you do NOT live in the kind of facility named in your policy, the insurance company may **not** pay for the services you require.

***What Services Aren’t Covered (Exclusions and Limitations)***

Most long-term care insurance policies usually don’t pay **benefits** for:

* A mental or nervous disorder or disease, other than **Alzheimer’s disease** or other **dementia**.
* Alcohol or drug addiction.
* Illness or injury caused by an act of war.
* Treatment in a government facility or that the government has already paid for.
* Attempted suicide or intentionally self-inflicted injuries.

**NOTE:** In most states, regulations require insurance companies to pay for covered services for **Alzheimer’s disease** that develops after a policy is issued. Ask your state insurance department if this applies in your state. Nearly all policies specifically say they will cover Alzheimer’s disease. Read about Alzheimer’s disease and eligibility for **benefits** in the section on **benefit triggers** on page 18.

NOTE: Many policies don’t cover or limit their coverage for care outside the United States.

***How Much Coverage Will I Have?***

The policy or certificate may state the amount of coverage in one of several ways. A policy may pay different amounts for different types of long-term care services. Be sure you understand how much coverage you’ll have and how the policy will cover long-term care services you receive.

**Maximum Benefit Limit**. Most policies limit the total benefit they’ll pay over the life of the policy, but a few don’t. Some policies state the maximum benefit limit in years (one, two, three or more, or even lifetime). Others write the policy maximum benefit limit as a total dollar amount. Policies often use words like “total lifetime benefit,” “maximum lifetime benefit,” or “total plan benefit” to describe their maximum benefit limit. When you look at a policy or certificate, be sure to check the total amount of coverage. In most states, the minimum benefit period is one year. Most nursing home stays are short, but illnesses that go on for several years could mean long nursing home stays. You’ll have to decide if you want protection for very long stays. Policies with longer maximum benefit periods cost more. You usually can learn what the benefit period is by looking through the first few pages of the policy for the schedule page.

**Daily/Weekly/Monthly Benefit Limit**. Policies normally pay **benefits** by the day, week, or month. For example, in an expense-incurred plan, a policy might pay a daily nursing home benefit of up to $200 per day, and a weekly **home health care** benefit of up to $1,400 per week. Some policies pay one time for single events, such as installing a home medical alert system.

When you buy a policy, insurance companies let you choose a benefit amount (usually $50 to $350 a day, $350 to $2,450 a week, or $1,500 to $10,500 a month) for care in a nursing home. If a policy covers home care, the benefit is usually a percentage of the nursing home care benefit – for example, 50% or 75%. But, more policies now pay the same benefit amounts for care at home as in a facility. Often, you can choose the home care benefit amount you want. It’s important to know how much skilled nursing homes, **assisted living facilities**, and **home health care** agencies charge for their services BEFORE you choose the benefit amounts in your long-term care insurance policy. Check the facilities in the area where you think you may be receiving care, whether they’re local, near a grown child, or in a new place where you may retire. Worksheet 1 in the back of this Shopper’s Guide can help you track these costs.

***When Will I Be Eligible for Benefits (Benefit Triggers)?***

“**Benefit triggers**” is the term usually used to describe the way insurance companies decide when to pay **benefits**. This term refers to how the insurance company decides if you’re eligible for benefits. Benefit triggers are an important part of a long-term care insurance policy. Different policies may have different benefit triggers so look at this policy feature carefully as you shop. Look for a section called “Eligibility for the Payment of Benefits” or simply “Eligibility for Benefits” in the policy and outline of coverage. Some states require certain benefit triggers. Also, the benefit triggers for tax-qualified contracts are mostly the same across insurance policies. Check with your state insurance department to find out what your state requires.

**NOTE**: Companies may use different **benefit triggers** for **home health care** coverage than for nursing home care, but most don’t. If they do, the benefit trigger for nursing home care is usually harder to meet than the one for home care.

***Types of Benefit Triggers***

**Activities of Daily Living**. Being unable to do activities of daily living, or ADLs, is the most common way insurance companies decide when you’re eligible for **benefits**. Most companies use six ADLs: **bathing**, **continence**, **dressing**, **eating**, **toileting**, and **transferring**. Typically, a policy pays **benefits** when you can’t do a certain number of the ADLs, such as two of the six or three of the six. The more ADLs you must be unable to do, the harder it’ll be for you to become eligible for benefits. The requirement for federally tax-qualified policies is being unable to do at least two of the six ADLs listed earlier as benefit triggers.

If the policy you’re thinking of buying pays **benefits** when you can’t do certain ADLs, be sure you understand what that means. Some policies spell out very clearly what it means to be unable to feed or bathe oneself. Some policies say that you must need someone to actually help you do the activities. That’s known as **hands-on assistance**. Others say you qualify if you only need someone nearby to help you if you need it (**stand-by assistance**). Requiring hands-on assistance makes it harder to qualify for benefits than requiring only stand-by assistance. The more clearly a policy describes its requirements, the clearer you or your family will be when you need to file a claim.

**NOTE**: The six **activities of daily living** (ADLs) have been developed through years of research. This research also has shown that **bathing** usually is the first ADL that a person can’t do. While most policies use all six ADLs as **benefit triggers**, qualifying for **benefits** from a policy that uses five ADLs may be harder if bathing isn’t one of the five.

**Cognitive Impairment**. Most long-term care insurance policies also pay **benefits** for “cognitive impairment.” Coverage of cognitive impairment is especially important if you develop **Alzheimer’s disease** or other **dementia**. If being unable to do ADLs is the only benefit trigger your policy uses, it may not pay benefits if you have Alzheimer’s disease but can still do most of the ADLs on your own. If your policy also uses a test of your cognitive ability as a benefit trigger, it’s more likely to pay benefits if you have Alzheimer’s disease. Most states don’t let companies limit benefits only because you have Alzheimer’s disease.

**Doctor Certification of Medical Necessity**. Some long-term care insurance policies pay benefits only if your doctor orders or certifies that the care is medically necessary. However, tax-qualified policies can’t use this **benefit trigger**.

**Prior Hospitalization**. In the past, long-term care insurance policies required a hospital stay of at least three days before they would pay **benefits**. Most companies no longer sell policies that require a hospital stay.

**NOTE**: **Medicare** still requires a three-day hospital stay to be eligible for **Medicare** payment of skilled nursing facility **benefits**.

***When Benefits Start (Elimination Period)***

With many policies, your **benefits** won’t start the first day you go to a nursing home or start using home care. How many days you have to wait for benefits to start will depend on the **elimination period** (sometimes called a deductible or a waiting period) you pick when you buy your policy. During an elimination period, the policy won’t pay the cost of long-term care services you receive and you may owe that cost. The elimination period can be 20, 30, 60, 90, or 100 days after you start using long-term care or become disabled. You also might be able to choose a policy with a zero-day elimination period, but expect it to cost more.

Elimination periods for **nursing home** and **home health care** may be different. Or a single elimination period may apply to any covered service. Some policies calculate the elimination period using calendar days. Other policies count only the days on which you received a covered service. Under the calendar day method, every day of the week counts toward the elimination period whether or not you received any services on those days. Under the days of service method, the only days that count toward the elimination period are the ones when you received services. For example, if you only received services three days a week, it will take longer for your benefits to start than if you received them five days a week. So, you would have more out-of-pocket expenses before your benefits begin.

You may choose to pay a higher premium for a shorter **elimination period**. If you choose a longer elimination period, you’ll pay a lower premium. But you also must pay the cost of your care during the elimination period.

For example, if a nursing home in your area costs $150 a day and your policy has a 30-day **elimination period**, you’d have to pay $4,500 before your policy starts to pay **benefits**. If you had a policy with a 60-day elimination period, you’d have to pay $9,000 of your own money. With a 90-day elimination period, you’d have to pay $13,500 of your own money before the policy would start to pay benefits.

If you only need care for a short time and your policy has a long **elimination period**, your policy may not pay any **benefits**. If, for example, your policy had a 100­day elimination period, and you received long-term care services for only 60 days, you wouldn’t receive any benefits from your policy.

On the other hand, if you can afford to pay for long-term care services for a short time, a longer **elimination period** might be right for you. It would protect you if you needed care for a long time and also would help to keep the cost of your insurance down.

You also may want to think about how the policy pays if you have a repeat stay in a nursing home. Some policies count the second stay as part of the first one as long as you leave and then go back within 30, 90, or 180 days. Be sure you know how the policy defines the elimination period. Find out if the insurance company requires another **elimination period** for a second stay. Some policies only require you to meet the elimination period once in your lifetime. Others require you to satisfy the elimination period with each “episode of care.” Some policies let you use non-consecutive days (for example, the 10th, 12th, and 15th) to satisfy the elimination period, but others require consecutive days.

***Inflation Protection***

**Inflation protection** can be one of the most important features you can add to a long-term care insurance policy. Inflation protection increases the premium, usually by 25% to 40%. However, unless your **benefits** increase over time, years from now you may find that they haven’t kept up with increasing long-term care costs. The cost of nursing home care has gone up nearly 17% over the past five years.[[18]](#endnote-18) If inflation is 5% a year, a nursing home that costs $150 a day in 2015 will cost $398 a day in 20 years. Obviously, the younger you are when you buy a policy, the more important it is for you to think about adding inflation protection. **You usually can buy inflation protection in one of two ways: automatically or by special offer.**

*Automatic* ***Inflation Protection***. With automatic inflation protection, your benefit amounts go up each year, usually with no change in your premium. The **daily benefit** automatically increases each year by a fixed percentage, usually 5%, for the life of the policy or for a certain period, usually 10 or 20 years.

Policies that increase **benefits** for inflation automatically may use “simple” or “compound” rates. Whether the inflation adjustment is simple or compound determines the dollar amount of the increase. If the inflation increase is simple, the benefit increases by the same dollar amount each year. If the increase is compounded, the dollar amount of the benefit increase goes up each year. For example, a $200 **daily benefit** that increases by a simple 5% a year will go up $10 a year and will be $400 a day in 20 years. If the increase is compounded, the annual increase will be a larger dollar amount each year and at 5% a year, the $200 daily benefit will be $531 a day in 20 years.

The following tables show the effects of inflation on nursing home costs over a 20-year period, assuming a daily cost of $200 in 2015.[[19]](#endnote-19)  At a 7% rate of inflation, nursing home costs could be $774 a day in 20 years. If a long-term care policy uses 7% simple interest to increase the benefit amount, a $200 daily benefit in 2015 would be only $480 in 20 years, $284 a day less than you would need to pay for long-term care.  If the inflation rate is 8%, your benefit adjusted at a simplerate of interest would be more than $400 less than the daily cost of care ($932 - $520).

**Compound Interest**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rate of Inflation** | **2015** | **2020** | **2025** | **2030** | **2035** |
| 5% | $200 | $255 | $326 | $416 | $531 |
| 6% | $200 | $268 | $358 | $479 | $641 |
| 7% | $200 | $281 | $393 | $552 | $774 |
| 8% | $200 | $294 | $432 | $634 | $932 |

**Simple Interest**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rate of Inflation** | **2015** | **2020** | **2025** | **2030** | **2035** |
| 5% | $200 | $250 | $300 | $350 | $400 |
| 6% | $200 | $260 | $320 | $380 | $440 |
| 7% | $200 | $270 | $340 | $415 | $480 |
| 8% | $200 | $280 | $360 | $440 | $520 |

Compounded automatic inflation increases are a good idea. But not all policies offer them. Some states now require policies to offer compound inflation increases but others do not so check with your state insurance department to find out what’s required in your state.. All individual and some group tax-qualified policies must offer compound inflation increases as an option. Compounding can make a big difference in the size of your benefit.

*Special Offer or Non-Automatic* ***Inflation Protection****.* The second way to buy inflation protection lets you choose to increase your **benefits** from time to time, such as every two or three years. If you regularly use the special offer option, you usually don’t have to prove you’re in good health. Your premium increases if you increase your benefits. How much it increases depends on your age at the time and how much you increase your benefit. Increasing your benefits every few years may help you afford the cost of increasing your benefits later. If you turn down the option to increase your benefit one year, you may not get the chance again. If you do, you may have to prove good health, or it may cost you more money. If you don’t accept an offer, check your policy to see how that affects future offers. Some policies continue the inflation offers while you receive benefits, but most don’t. Check your policy carefully.

**NOTE**: Most states’ regulations require companies to offer inflation protection. It’s up to you to decide whether to buy it. If you don’t buy the protection, the company may ask you to sign a statement saying you didn’t want it. Be sure you know what you’re signing.

***Other Benefits***

**Third Party Notice.** This benefit lets you name someone the insurance company would contact if your coverage is about to end because you forgot to pay the premium. People with **cognitive impairments** may forgetto pay the premium and lose their coverage when they need it the most.

You can choose a relative, friend, or a professional (e.g., a lawyer or accountant) as your third party. After the company contacts the person you choose, he or she would have some time to arrange to pay the overdue premium. You usually can name a contact person without extra cost. Some states require insurance companies to give you the chance to name a contact and to update your list of contacts from time to time. You may be required to sign a waiver if you choose not to name anyone to be contacted if the policy is about to **lapse**.

***Other Long-Term Care Insurance Policy Options I Might Choose***

You can probably choose other policy features, but some insurers don’t offer all of them. Each may increase your policy’s cost.

**Waiver of Premium**. Premium waiver lets you stop paying the premium once you’re eligible and the insurance company starts to pay **benefits**. Many long-term care insurance policies automatically include this feature, but some may only offer it as an optional benefit. Some companies waive the premium as soon as they make the first benefit payment. Others wait until you’ve received benefits for 60 to 90 days.

**Premium Refund at Death**. This benefit pays to your estate any premiums you paid minus any **benefits** the company paid. To get the refund, you must have paid premiums for a certain number of years. Also, some companies refund premiums only if the policyholder dies before a certain age, usually 65 or 75.

**Downgrades.** While it may not always appear in the contract, most insurers let you reduce your coverage if you have trouble paying the premium. When you downgrade your policy, it covers less and/or has lower **benefits** and you’ll pay a lower premium. Downgrading may let you keep your policy instead of dropping it.

***What If I Can’t Afford the Premiums After I Buy the Policy?***

**Nonforfeiture Benefits.** If, for whatever reason, you drop your coverage and your policy has a nonforfeiture benefit, you’ll get some value for the money you’ve paid into the policy. Without this type of benefit, you get nothing, even if you paid premiums for 10 or 20 years before you dropped the policy. A nonforfeiture benefit can add roughly 10% to 100% (and sometimes more) to a policy’s cost. How much it adds depends on such things as your age at the time you bought the policy, the type of nonforfeiture benefit, and whether the policy has inflation protection.

Some states require insurance companies to offer long-term care insurance policies with a **nonforfeiture benefit**. If so, you may be given benefit choices, including a **reduced paid-up policy, shortened benefit period policy,** and an **extended term policy**. With any of these, when you stop paying your premiums, the company gives you a **paid-up policy**. Depending on the option you choose, your paid-up policy could either have the same benefit period but with a lower **daily benefit** (**reduced paid-up policy**) or the same **daily benefit** but with a shorter benefit period (shortened benefit period policy or extended term policy) than your original policy. Regardless, the level of benefitsdepends on how long you paid premiums and how much you’ve paid in premiums. Since the policy is paid-up, you won’t owe any more premiums. If the nonforfeiture benefit is extended term and you don’t use the benefits in a certain period of time, your coverage ends. There’s no time limit to use the benefits if the nonforfeiture benefit is a reduced paid-up policy.

Other insurers may offer a “return of premium” **nonforfeiture benefit**. They pay back all or part of the premiums that you paid in if you drop your policy after a certain number of years. This type of nonforfeiture benefit usually costs the most. You have the option to add a nonforfeiture benefit if you’re buying a **tax-qualified policy**. The return of premium, the **reduced paid-up policy**, and the shortened benefit period nonforfeiture benefits could be choices when you buy a tax-qualified policy.

**Contingent Nonforfeiture**. In some states, if you don’t accept the offer of a **nonforfeiture benefit**, a company is required to offer you a contingent benefit if the policy **lapses**. This means that when your premiums increase to a certain amount (based on a table of increases), the company must give you a way to keep your policy without paying the higher premium. For example, suppose you bought a policy at age 70 and didn’t accept the insurance company’s offer of a nonforfeiture benefit. Also, suppose the policy is required to offer you a **contingent benefit upon** **lapse** if the premium increases to 40% or more of the original premium. If you’re offered the contingent benefit upon lapse, you could choose: 1) your current policy with reduced **benefits** so the premium stays the same; 2) a **paid-up policy** with a shorter benefit period but no future premiums; or 3) your current policy with the higher premiums.

***Will My Health Affect My Ability to Buy a Policy?***

Companies that sell long-term care insurance medically “underwrite” their coverage. They look at your current and past health before they decide to issue a policy. An employer or another type of group may not use medical **underwriting** or may have more relaxed underwriting standards. Insurance companies’ underwriting practices affect the premiums they charge you now and in the future. Some companies do what is known as “short-form” underwriting. They only ask you to answer a few questions on the insurance application about your health. For example, they may want to know if you’ve been in a nursing home or received care at home in the last 12 months.

Some companies do more **underwriting**. They may ask more questions, look at your current medical records, and ask your doctor for a statement about your health. These companies may insure fewer people with health problems. If you have certain conditions that are likely to mean you’ll soon need long-term care (Parkinson’s disease, for example), you probably can’t buy coverage from these companies.

Sometimes companies don’t check your medical record until you file a claim. Then they may try to refuse to pay you **benefits** because of information they found in your medical record after you filed your claim. This practice is called “post-claims **underwriting**.” It’s illegal in many states. Companies that thoroughly check your health before selling you a policy aren’t as likely to do post-claims underwriting. No matter how the company underwrites, you must answer certain questions on your application. When you fill out your application, be sure to answer all questions correctly and completely. A company depends on the information you put on your application. If the information is wrong, an insurance company may decide to **rescind** (or cancel) your policy and return the premiums you’ve paid. A company usually can do this only in the first two years after you bought the policy. Most states require the insurance company to give you a copy of your application when it delivers the policy. Then, you can review your answers again. You should keep this copy of the application with your insurance papers.

***What Happens If I Have Pre-Existing Conditions?***

A long-term care insurance policy usually defines a **pre-existing condition** as one where you got medical advice or treatment or had symptoms within a certain period before you applied for the policy. Some companies look further back in time than others. That may be important if you have a pre-existing condition. A company that learns you didn’t tell it about a pre-existing condition on your application might not pay for treatment related to that condition and might even **rescind** your coverage. A company usually can do this only within two years after you bought the policy. But in some cases it could be longer, if you intentionally misled the insurer.

Many companies will sell a policy to someone with a **pre-existing condition**. However, the company may not pay **benefits** for long-term care related to that condition for a period after the policy goes into effect, usually six months. Some companies have longer pre-existing condition periods, while others have none.

***Can I Renew My Long-Term Care Insurance Policy?***

In most states, long-term care insurance policies sold today must be **guaranteed renewable** -- the insurance company guarantees you a chance to renew the policy. This *is* *not* a guarantee that you can renew at the same premium. Your premium may go up over time as your company pays more claims and more expensive claims.

Insurance companies can increase the premiums on their policies, but only if they increase the premiums on all policies that are the same in that state. **An insurance company can’t single out an individual for a premium increase,** no matter whether you have filed a claim or your health has gotten worse. In some states, a company can’t increase your premium just because you’re older. If you buy a group policy and later leave the group, you may be able to keep your group coverage or convert it to an individual policy, but you may pay more. **You can ask your state insurance department if your state requires insurers to offer you this option.**

**How Much Do Long-Term Care Insurance Policies Cost?**

A long-term care insurance policy can be expensive. Be sure you can pay the premiums and still afford your other health insurance and other expenses.

Premiums vary based on a variety of factors. These factors include your age and health when you buy a policy and the level of coverage, **benefits**, and options you choose. The older you are when you buy long-term care insurance, the higher your premiums will be, as it’s more likely you’ll need long-term care services. (See “Will I Need Long-Term Care” on page 6.) If you buy at a younger age, your premiums will be lower, but you’ll pay premiums for a longer period of time. According to recent studies, the average buyer is age 60.[[20]](#endnote-20)

If you buy a policy with a large **daily benefit**, a longer maximum benefit period, or a **home health care** benefit, it will cost more. **Inflation protection** and **nonforfeiture benefits** mean much higher premiums for long-term care insurance. Inflation protection can add 25% to 40% to the premium. Nonforfeiture benefits can add 10% to 100% to the premium, as noted on page 24. In fact, either of these options could easily double your premium, depending on your age when you buy a policy.

The table that follows shows examples of how much premiums can vary depending on your age and coverage options.[[21]](#endnote-21) It shows the average annual premiums for basic long-term care insurance ($200 **daily benefit** amount; four-year, six-year, and lifetime coverage; and a 20-day **elimination period**) with and without a 5% compound **inflation protection** option and with no **nonforfeiture benefit** option. *Remember,* ***your*** *actual premium may be very different.*

**Average Annual Premium for Basic Long-Term Insurance, $200 Daily Benefit**

|  |  |
| --- | --- |
| **Age When Buy** | **With Inflation Protection 5% Compounded Per Year** |
| *4 Years of Benefits* | *6 Years of Benefits* | *Lifetime Benefits* |
| 50 | $4,349 | $5,083 | $7,347 |
| 60 | $5,331 | $6,269 | $8,927 |
| 70 | $9,206 | $10,549 | $15,070 |
| 75 | $13,500 | $15,157 | $20,930 |
|  | **With No Inflation Protection—Benefit Stays at $200 per Day** |
| *4 Years of Benefits* | *6 Years of Benefits* | *Lifetime Benefits* |
| 50 | $1,294 | $1,514 | $1,997 |
| 60 | $2,057 | $2,426 | $3,307 |
| 70 | $4,914 | $5,834 | $7,777 |
| 75 | $8,146 | $8,291 | $12,337 |

Another issue to keep in mind is that long-term care insurance policies may not cover the full cost of your care. For example, if your policy covers $110 a day in a **nursing home**, but the total cost of care is $150 a day, you must pay the difference. Remember, medications and therapies increase your total daily costs. Consider the long-term care costs in your state when you choose the amount of coverage to buy. (See “How Much Does Long-Term Care Cost?” on page 34.)

When you buy a long-term care policy, think about how much your income is. How much can you afford to spend on a long-term care insurance policy now? A rule of thumb is that you may not be able to afford the policy if the premiums will be more than 7% of your income. Also, try to think about what your future income and living expenses are likely to be and how much premium you could pay then. If you don’t expect your income to increase and you can barely afford the premium now, it probably isn’t a good idea to buy a policy.

As you decide what you can afford, consider the effect if the premium goes up in the future. While a company can’t raise premiums because you filed a claim or your health changed, the company can raise the premiums for an entire class of policies. Some states have laws that limit premium increases. **Check with your state insurance department to learn how your state regulates premium increases**. (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.) Again, it probably isn’t a good idea to buy a policy if you can barely afford the premiums now.

**NOTE:** Don’t be misled by the term “level premium.” You may be told that your long-term care insurance premium is “level.” That doesn’t mean that it will never increase. For almost all long-term care insurance policies, companies can’t guarantee that premiums will never increase. Many states have adopted regulations that don’t let insurance companies use the word “level” to sell **guaranteed renewable** policies. Companies must tell consumers that premiums may go up. Look for that information on the outline of coverage and the policy’s face page when you shop.

***What Options Do I Have to Pay the Premiums on the Policy?***

If you decide you can afford to buy a long-term care insurance policy, there are two main ways you can pay your premiums—the **continuous payment option** and the **limited payment option**. Not every company offers the limited payment option in every state. **Ask your state insurance department what options your state allows**. (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.)

Premiums usually are less with the **continuous payment option**. Under this option, you pay the premiums on your policy, typically monthly, quarterly, or once or twice a year, until you trigger your **benefits**. The company can’t cancel the policy unless you don’t pay the premiums.

Some companies offer a **limited payment option** to pay premiums. Under this option, you pay premiums for a set time period in one of the following ways:

* Single pay. You make one lump-sum payment.
* 10-pay and 20-pay. You pay premiums for either 10 or 20 years, and nothing after that. You might choose this option if your income will be lower in 10 or 20 years.
* Pay-to-65. You pay premiums until you’re age 65 and nothing after that.

With any of these payment options, neither you nor the company can cancel the policy after you make the last premium payment. **Limited payment option** policies are more expensive than continuous payment policies, because you’re paying a greater portion of your premium with each payment. Unless the contract fixes your premium for the payment period, your premium could increase. Despite the higher cost, some consumers want the guaranteed fixed payment and no-cancel features. Ask your tax advisor for information about the tax treatment of limited payment options.

***If I Already Own a Policy, Should I Switch Policies or Upgrade the Coverage I Have Now?***

Before you switch to a new long-term care insurance policy, be sure it’s better than the one you have now. Even if your agent now works for a different company, think carefully before you make any changes. Switching may be right for you if your old policy requires you to stay in the hospital or to receive other types of care before it pays **benefits**. Before you decide to change, though, first ask if you can upgrade the coverage on the policy you already have. For example, you might add **inflation protection** or take off the requirement that you stay in the hospital. It might cost less to improve a policy you have now than to buy a new one. If not, you could replace your current policy with one that gives you more benefits, or even add a second policy. Be sure to talk about any changes in your coverage with a trusted family member or friend. Also, be sure you’re in good health and can qualify for another policy.

**If you decide to switch to a new long-term care insurance policy, be sure the company accepts your application and issues the new policy before you cancel the old one.** When you cancel a policy in the middle of its term, many companies won’t give back any premiums you’ve paid. If you switch policies, you may not have coverage for **pre-existing condition**s for a certain period.

**What Shopping Tips Should I Keep in Mind?**

Here are some points to keep in mind as you shop.

***Ask questions.***

If you have questions about the agent, the insurance company or the policy, **contact your state insurance department or insurance counseling program.** (See the list of state insurance departments, agencies on aging and **state health insurance assistance programs** starting on page 52.) Be sure the company is reputable and licensed to sell long-term care insurance policies in your state.

***Check with several companies and agents.***

It’s wise to contact several companies (and agents) before you buy. Compare **benefits**, the types of facilities you have to be in to get coverage, the limits on your coverage, what’s not covered, and, of course, the premiums. (Policies that have the same coverage and benefits may not cost the same.) Worksheet 2—*Compare Long-Term care Insurance Policies* in the back of this Shopper’s Guide will be helpful.

***Check out the companies’ premium increase histories.***

Ask companies whether they’ve increased the premiums on the long-term care insurance policies they sell. Ask to see a company’s personal worksheet (see Worksheet 5—*Long-Term Care Insurance Personal Worksheet*) that includes the company’s premium increase history.

Some state insurance departments prepare a consumer guide for long-term care insurance each year. These guides may include an overview of long-term care insurance, a list of companies selling long-term care insurance in your state, the types of **benefits** and policies you can buy (both as an individual and as a member of a group), and a premium increase history of each company that sells long-term care insurance in that state. Some guides even include examples of different coverage types and combinations and premiums to help you compare policies. **Contact your state insurance department or insurance assistance program for this information.** (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.)

***Take your time and compare outlines of coverage.***

Ask for an outline of coverage, which describes the policy’s **benefits** and points out important features. Compare outlines of coverage for several policies, making sure they are similar (if not the same). In most states the agent must leave an outline of coverage when he or she first contacts you. Never let anyone pressure or scare you into making a quick decision. Don’t buy a policy the first time you see an agent.

***Understand the policies.***

Be sure you know what the policy covers and what it doesn’t. If you have any questions, call the insurance company before you buy.

If any information confuses you or is different from the information in the company literature, don’t hesitate to call or write the company to ask your questions. Don’t trust any sales presentation or literature that claims you have only one chance to buy a policy.

Some companies sell their policies through agents, while others sell their policies through the mail, skipping agents entirely. No matter how you buy your policy, check with the company if you don’t understand how the policy works.

Talk about the policy with a trusted family member or friend. **You also may want to contact your state insurance department or state health insurance assistance program (SHIP).** (See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** starting on page 52.)

***Don’t be misled by advertising.***

Most celebrity endorsers are professional actors paid to advertise. They aren’t insurance experts. **Medicare** doesn’t endorse or sell long-term care insurance policies. Be wary of any advertising that suggests **Medicare** is involved.

Don’t trust cards you get in the mail that look like official government documents until you check with the government agency identified on the card. Insurance companies or agents trying to find buyers may have sent them. Be careful if anyone asks you questions over the telephone about **Medicare** or your insurance. They may sell any information you give to long-term care insurance marketers, who might call you, come to your home, or try to sell you insurance by mail.

***Be sure you put correct and complete information on your application.***

Don’t be misled by long-term care insurance marketers who say your medical history isn’t important—it is! Give correct information. If an agent fills out the application for you, don’t sign it until you’ve read it. Be sure that all of the medical information is accurate and complete. If it isn’t and the company used that information to decide whether to insure you, it could refuse to pay your claims and even cancel your policy.

***Never pay in cash.***

Use a check, an electronic bank draft made payable to the insurance company, or a credit card.

***Be sure to get the name, address, and telephone number of the agent and the company.***

Get a local or toll-free number for both the agent and the company.

***If you don’t get your policy within 60 days, contact the company or agent*.**

You have a right to expect prompt delivery of your policy. When you get it, keep it somewhere you can easily find it. Tell a trusted family member or friend where it is.

***Be sure you look at your policy during the free-look period.***

If you decide you don’t want the policy soon after you bought it, you can cancel it and get your money back. You only have a certain number of days after you get the policy to tell the company you don’t want it. How many days you have depends on the “free-look” period. In some states the insurance company must tell you about the free-look period on the cover page of the policy. In most states you have 30 days to cancel, but in some you have less time. **Check with your state insurance department (**see the list of state insurance departments, agencies on aging and **state health insurance assistance programs** starting on page 52**) to find out how long the free-look period is in your state.**

If you want to cancel:

* Keep the envelope the policy was mailed in. Or ask the agent for a signed delivery receipt when he or she hands you the policy.
* Send the policy to the insurance company along with a short letter asking for a refund.
* Send both the policy and the letter by certified mail. Keep the mailing receipt.
* Keep a copy of all letters.
* It usually takes four to six weeks to get your refund.

***Read the policy again and be sure it gives you the coverage you want.***

Check the policy to see if the **benefits** and the premiums are what you expected. If you have any questions, call the agent or company right away. Also, reread the application you signed. It’s part of the policy. If it’s not filled out correctly, contact the agent or company right away. Worksheet 3—*Facts About My Long-Term Care Insurance Policy* in the back of this Shopper’s Guide can help you be sure you understand your policy.

***Think about having the premium automatically taken out of your bank account.***

Automatic withdrawal may mean that you won’t lose your coverage if you forget to pay your premium. If you decide not to renew your policy, be sure you tell the bank to stop the automatic withdrawals.

***Check the financial stability of the insurance company.***

Insurer ratings can show you how analysts see the financial health of individual insurance companies. Different rating agencies use different rating scales. Be sure to find out how the agency labels its highest ratings and the meaning of the ratings for the companies you’re considering.

You can get ratings from some insurer rating services for free at most public libraries. And now you can get information from these services on the Internet.

Some companies that provide ratings of insurers are:

* A.M. Best Company
* Fitch IBCA, Duff & Phelps, Inc.
* Moody’s Investor Service, Inc.
* Standard & Poor’s Insurance Rating Services
* Weiss Ratings, Inc.

**GLOSSARY**

**Accelerated Death Benefit** - A life insurance policy feature that lets you use some of the policy’s death benefit before you die.

**Activities of Daily Living (ADLs)** - Everyday functions and activities individuals usually do without help. ADLs include **bathing**, **continence**, **dressing**, **eating**, **toileting**, and **transferring**. Many policies use being unable to do a certain number of ADLs (such as two of six) to decide when to pay **benefits**.

**Adult Day Care** - Care given during the day at a community-based center for adults who need help or supervision during the day, including help with **personal care**, but who don’t need round-the-clock care.

**Alzheimer’s Disease** - A progressive, degenerative form of **cognitive impairment** that causes severe intellectual deterioration.

**Assisted Living Facility** - A residential living arrangement that provides **personal care** and health services for people who need some help with **activities of daily living**, but don’t need the level of care that **nursing home**s give. **Assisted living facilities** can range from small homes to large apartment-style complexes and also can offer different levels of care and services.

**Bathing** - Washing oneself in either a tub or shower. This activity includes getting in or out of the tub or shower.

**Benefit Triggers**–The criteria and ways an insurer decides when a policy pays **benefits**, such as being unable to do two or more **activities of daily living,** or the need for **substantial supervision** due to having **dementia** or **Alzheimer’s disease**.

**Benefits** - The amount the insurance company pays for covered services.

**Care Management Services** - A service in which a professional, typically a nurse or social worker, may arrange, monitor, or coordinate long-term care services (also called care coordination services).

**Cash Surrender Value** - The amount of money the insurance company owes you when you terminate a life insurance policy or annuity contract with this feature. The policy states the amount of the cash value.

**Chronically Ill** - A term used in a tax-qualified long-term care contract to describe a person who needs long-term care either because of a severe **cognitive impairment** or because s/he can’t do everyday **activities of daily living** (ADLs) without help.

**Cognitive Impairment** - A loss of short- or long-term memory; difficulty knowing people, places, or the time or season; loss of the ability to make good decisions; or loss of safety awareness.

**Community-Based Services** - Services designed to help older people stay independent and in their own homes.

**Continence** – Being able to control bowel and bladder function or, if you can’t, being able to manage needed personal hygiene (such as a catheter or colostomy bag).

**Contingent Benefit Upon Lapse** -- A requirement in some states that companies are

required to offer if premiums increase to a certain amount (based on a table of increases) to enable policyholders to keep their policy without paying the higher premium. If offered, the policyholder could choose: 1) their current policy with reduced **benefits** so the premium stays the same; 2) a **paid-up policy** with a shorter benefit period but no future premiums; or 3) their current policy with the higher premiums.

**Contingent Nonforfeiture** - A reduced benefit provided to some policyholders whose policies terminate, sometimes called a “lapse.”   The amount of the reduced benefit is the total premiums you paid for the policy, without interest.  Some states require the company to offer contingent nonforfeiture to policyholders whose premiums increase by a certain percentage or more. For example, suppose you bought a policy at age 65 for $2,000 per year, and didn’t buy the optional **nonforfeiture benefit**.  Also suppose that after you paid premiums for ten years, the company raised the rates by 50% or more, and your coverage ends because you don’t pay the higher premiums.  If the policy has contingent nonforfeiture,then you’ll be eligible for up to $20,000 (the total amount you paid in premiums) of benefits if you meet the benefit triggers in the future.

**Continuing Care Retirement Community (CCRC)** - A retirement complex that offers a broad range of services and levels of care.

**Continuous Payment Option** - A premium payment option that requires you to pay premiums until you’re eligible for **benefits**. You can pay premiums monthly, quarterly, or once or twice a year. The policy is **guaranteed renewable,** which means the only reason the company can cancel it is if the premiums aren’t paid when due.

**Custodial Care (Personal Care)** - Care to help individuals with **activities of daily living** such as **bathing**, **dressing**, and **eating**. Usually, medical training isn’t needed to give this type of care.

**Daily Benefit** - The amount the policy will pay for each day of care, often limited to the amount charged for your care.

**Dementia** – Another term for significant **cognitive impairment.**

**Disability Method** - Method of paying **benefits** that only requires you to meet the benefit eligibility criteria. Once you do, you receive your full **daily benefit,** even if you aren’t receiving any long-term care services**.**

**Dressing** - Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

**Eating** - Feeding yourself by getting food into the body from a receptacle (such as a plate, cup, or table).

**Elimination Period (Waiting Period)** - A type of deductible; the length of time the individual must pay for covered services before the insurance company begins to make payments. Increasing your policy’s elimination period reduces the premium, because the insurance company has to pay less benefits. Another term for this is a “waiting period.”

**Episode of Care –** The care provided by a health care facility or provider for a specific medical condition during a set time period.

**Expense-Incurred Method** – Once there’s an expense for an eligible service, the insurer pays **benefits** either to you or your provider. The coverage pays either the amount of the expense or your policy’s dollar limit, whichever is less. Most policies sold today use the expense-incurred method.

**Extended Term Benefits** – After you stop paying premiums, this coverage provides full **benefits** for use during a certain period of time. If you don’t collect benefits during that period, the contract ends and you have no coverage.

**Guaranteed Renewable** - A policy that an insurance company can’t cancel and must renew, unless the **benefits** listed in the policy have been completely used or the premiums haven’t been paid. ***Note: The insurance company may increase premiums for a guaranteed renewable policy,*** but only on an entire class of policies, not just on your policy.

**Hands-On Assistance** - Physical help (minimal, moderate, or maximal) an individual must have to do an **activity of daily living**.

**Health Insurance Portability and Accountability Act (HIPAA)** - Federal health insurance legislation passed in 1996 that allows, under some conditions, long-term care insurance policies to be qualified for certain tax benefits.

**Home Health Care** - Services in the client’s home. Can include nursing care, social services, medical care, **homemaker services**, and occupational, physical, respiratory, or speech therapy.

**Hospice Care –** Care for a person who isn’t expected to live very long, so the care is designed to reduce pain and discomfort.

**Hospice Facility -** A health care facility for the terminally ill in which hospice care is provided.

**Homemaker Services** - Household tasks such as laundry, cleaning, or cooking.

**Indemnity Method** - Method of paying **benefits** where the benefit is a set dollar amount that isn’t based on the specific service received or the expenses incurred. Once the company decides you’re eligible for benefitsbecause you’re receiving eligible long-term care services, it pays the set amount up to the limit of the policy.

**Inflation Protection** - A policy option that increases **benefits** levels to cover expected increases in long-term care services’ costs.

**Lapse** - Termination of a policy when a renewal premium isn’t paid.

**Limited Payment Option** - A premium payment option in which you pay premiums for a set time period but the policy covers you for the rest of your life.

**Medicaid** - A joint federal/state program that pays for health care services for those with low incomes or very high medical bills relative to income and assets.

**Medicare** - The federal program that provides hospital and medical insurance to people aged 65 or older and to certain ill or disabled persons. **Benefits** for **nursing home** and home health services are limited to a short period of time.

**Medicare Supplement Insurance** - A private insurance policy that covers many of the gaps in **Medicare** coverage (also called Medigap insurance coverage).

**National Association of Insurance Commissioners (NAIC)** - Membership organization of state insurance commissioners. A goal is to promote uniformity of state insurance regulation and legislation.

**Nonforfeiture Benefits** - A policy feature that keeps some coverage available to you if the policy ends because the premiums weren’t paid.

**Nursing Home** - A licensed facility that provides nursing care to those who are **chronically ill** or can’t do one or more **activities of daily living**.

**Paid-up Policy -** When you stop paying your premiums but your insurance policy is considered paid-in-full. You don’t pay any more premiums, and your policy **benefits** depend on how much you’ve already paid in premiums, not the level of benefits that you first bought.

**Partnership Policy -** A type of policy that lets you protect (keep) some of your assets if you apply for **Medicaid** after you use your policy’s **benefits**. Not all states have these policies.

**Personal Care (Custodial Care) - Care to help individuals meet personal needs such as** **bathing**, dressing, and **eating**. Someone without professional training may provide **personal care**.

**Personal Care Home –** A general term for a facility that cares for elderly people. Long-term care insurance policies often don’t cover care here.

**Pre-existing Condition** – An illness or disability for which you were treated or advised within a time period before you applied for insurance.

**Pooled Benefit** – A policy covering two people who can access the same **benefits** until one or both people have used up the benefits.

**Reduced Paid-up Policy** - A nonforfeiture option that reduces your **daily benefit** but keeps the full benefit period on your policy until death. For example, if you bought a policy for three years of coverage with a $150 daily benefit and let the policy **lapse**, the daily benefit would be reduced to $100 but the benefit period still would be three years. Just how much less your benefit would be depends on how much premium you’ve paid on the policy. Unlike **extended term** **benefits**, which must be used in a certain amount of time after the lapse, you can use reduced paid-up benefits at any time after you lapse (until death).

**Rescind** - When the insurance company voids (cancels) a policy.

**Respite Care** - Care a third party gives to relieve family caregivers for a few hours to several days and give them an occasional break from daily caregiving responsibilities.

**Skilled Care** - Daily nursing and rehabilitative care that can be done only by, or under the supervision of, skilled medical personnel. This care usually is needed 24 hours a day, must be ordered by a physician, and must follow a plan of care. Individuals usually get **skilled care** in a nursing home but also may get it in other places.

**Spend Down** - A requirement that an individual use up most of his or her income and assets to meet **Medicaid** eligibility requirements.

**Stand-by Assistance** - Caregiver stays close to watch over the person and to give physical help if needed.

**State Health Insurance Assistance Program (SHIP)** - Federally funded program to train volunteers to counsel senior citizens about insurance needs. (See the list of state insurance departments, agencies on aging and state health insurance assistance programsstarting on page 52.)

**Substantial Assistance** - Hands-on or stand-by help required to do **ADLs**.

**Substantial Supervision** – Help from a person who directs and watches over another who has a **cognitive impairment**.

**Tax-Qualified Long-Term Care Insurance Contracts** – Long-term care policies that meet certain standards in federal law and offer certain federal tax advantages.

**Third Party Notice** - A benefit that lets you name someone whom the insurance company would notify if your coverage is about to end because the premium hasn’t been paid. This can be a relative, friend, or professional such as a lawyer or accountant.

**Toileting** - Getting to and from the toilet, getting on and off the toilet, and doing related personal hygiene.

**Transferring** - Moving into and out of a bed, chair, or wheelchair.

**Underwriting** - Collecting and reviewing information to determine whether to issue an insurance policy.

**Waiver of Premium** - An insurance policy feature that means an insured who’s receiving **benefits** no longer has to pay premiums.

**WORKSHEET 1**

*Availability and Cost of Long-Term Care in My Area*

Find out what facilities and services provide long-term care in your area (or in the area where you would be most likely to receive care) and what these services cost. List the information below.

**Home Health Agency**

Name of ***another*** Home Health Agency

you might use

Addre**ss\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Contact Person\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of one Home Health Agency

you might use

Addre**ss \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Contact Person\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Check which types of care are available and list the cost**

⁭ Skilled Nursing Care

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ **Home Health Care**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ Personal/**Custodial Care**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ **Homemaker Services**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ Skilled Nursing Care

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ **Home Health Care**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ Personal/**Custodial Care**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

⁭ **Homemaker Services**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_

**Nursing Home**

Name of one **Nursing Home**

you might use

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact Person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of another **Nursing Home**

you might use

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact Person\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Check which types of care are available and list the cost**

⁭ Skilled Nursing Care

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

⁭ Personal/**Custodial Care**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

⁭ Skilled Nursing Care

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

⁭ Personal/**Custodial Care**

Cost/Visit $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Other Facility or Service**

Other facility or service you might use

(e.g., **adult day care** center, **assisted living facility**, etc.) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact Person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What services are available?

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What are the costs for those services?

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Other facility or service you might use

(e.g., **adult day care** center, **assisted living facility**, etc.) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact Person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What services are available?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What are the costs for those services?

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**WORKSHEET 2**

*Compare Long-Term Care Insurance Policies*

Fill in the information below so that you can compare long-term care insurance policies. Most of the information you need is in the policies’ outlines of coverage. Even so, you’ll need to calculate some information and talk to the agent or a company representative to get the rest.

**Insurance Company Information**

1. Name of the insurance company’s agent.

2. Is the company licensed in your state?

3. Insurance rating service and rating.

(Refer to page 33 )

 **Policy 1 Policy 2**

|  |  |
| --- | --- |
|  |  |
| yes/no | yes/no |
|  |  |

**What levels of care does this policy cover?** (Refer to page 16)

4. Does the policy provide **benefits** for these

levels of care?

* Skilled nursing care
* Personal/Custodial care?

(In many states, both levels of care are

 required)

5. Does the policy pay for any **nursing home**

 stay, no matter what level of care you

receive?

* If not, what levels aren’t covered?

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |

**Where will this policy pay for care?** (Refer to page 17)

6. Does the policy pay for care in any licensed

facility?

* If not, what doesn’t it pay for?

7. Does the policy provide home care **benefits**

for:

* Skilled nursing care?
* **Personal care** given by home health aides?
* **Homemaker services**?
* Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_?

8. Does the policy pay for care received in:

* **Adult day care** centers?
* **Assisted living facilities**?

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |

9. How much will the policy pay each day for:

* Nursing home care?
* **Assisted living facility care**?
* Home care?

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |
| $ | $ |

10. Are there limits on the number of days or visits each year for which **benefits** will be paid? If yes, what are the limits for:

* Nursing home care?
* **Assisted living facility** care?
* Home care? (days or visits)

11. How long is the benefit period?

12. Are there limits on how much the policy will pay during your lifetime?

 If yes, what are the limits for:

* **Nursing home** care?
* **Assisted living facility** care?
* Home care? (days or visits)
* Total lifetime limit

\* If you’re considering policies that pay benefits differently, you may have to do some calculations to determine comparable amounts.

**How does the policy decide when you’re eligible for benefits?** (Refer to page 18)

13. Which **benefit triggers** does the policy use to decide if you’re eligible for **benefits**? (It may have more than one.)

• Unable to do **activities of daily living** (ADLs)

• **Cognitive impairment**

• Doctor certification of medical necessity

• Prior hospital stay

• **Bathing** is one of the ADLs

**When do benefits start?** (Refer to page 19)

14. How long is the waiting period before **benefits** begin for:

• Nursing home care?

• **Assisted living facility** care?

• **Home health care**?

• Waiting period—Covered service days or calendar days?

15. Are the waiting periods for home care consecutive?

**Policy 1 Policy 2**

|  |  |
| --- | --- |
| yes/no | yes/no  |
| days | days |
|  |  |
|  |  |

|  |  |
| --- | --- |
| yrs | yrs |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |
|  |  |
|  |  |
|  |  |

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |

|  |  |
| --- | --- |
| days | days |
| days | days  |
| days | days |
| service days | service days  |

|  |  |
| --- | --- |
| yes/no | yes/no |

16. How long will it be before you’re covered for a **pre-existing condition**? (usually 6 months)

17. How far back will the company look at your medical history to determine a **pre-existing condition**? (usually 6 months)

**Does the policy have inflation protection? (Refer to page 20)**

18. Are the **benefits** adjusted for inflation?

19. Are you allowed to buy more coverage? If yes,

• When can you buy more coverage?

• How much can you buy?

• When can you no longer buy more coverage?

20. Do the **benefits** increase automatically? If yes,

• What is the rate of increase?

• Is it a simple or compound increase?

• When do automatic increases stop?

21. If you buy inflation coverage, what **daily benefit** would you receive for

***Nursing home*** *care*:

• 5 years from now?

• 10 years from now?

***Assisted living facility*** *care*:

• 5 years from now?

• 10 years from now?

***Home health care***:

• 5 years from now?

• 10 years from now?

22. If you buy inflation coverage, what will your premium be:

• 5 years from now?

• 10 years from now?

• 15 years from now?

**Policy 1 Policy 2**

|  |  |
| --- | --- |
| months | months |

|  |  |
| --- | --- |
| months | months |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |
|  |  |
|  |  |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |
|  |  |
|  |  |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |
| $ | $ |

**What other benefits does the policy cover?**

23. Is there a **waiver of premium** benefit? (Refer to page 23) If yes,

• How long do you have to be in a nursing home before it begins?

• Does the waiver apply when you receive home care?

24. Does the policy have a **nonforfeiture benefit**? If yes, what kind? (Refer to page 23)

25. Does the policy have a return of premium benefit? (Refer to page 24)

26. Does the policy have a death benefit? If yes, are there any restrictions before the benefit is paid? (Refer to page 23)

27. Will the policy cover one person or two?

**Tax-qualified status**

28. Is the policy tax-qualified? (Refer to page 13)

**Partnership Policy**

29. Is the policy tax-qualified? (Refer to page 11 )

**What does the policy cost?** (Refer to page 11)

30. What is the premium for the basic coverage?

• each month

• each year

31. What is the premium if the policy covers **home health care**?

• each month

• each year

32. What is the premium if the policy covers an **assisted living facility**?

• each month

• each year

33. What is the premium if the policy has inflation coverage?

• each month

• each year

34. What is the premium if the policy has a

**nonforfeiture benefit**?

• each month

• each year

**Policy 1 Policy 2**

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
|  |  |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |

|  |  |
| --- | --- |
| one/two | one/two |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

35. Is there a discount if you and your spouse both buy policies? If yes,

• How much is the discount?

• Do you lose the discount when one spouse

dies?

36. What is the total premium including all riders

and discounts?

• total monthly premium

• total annual premium

37. Can the premium increase in the future?

 Under what circumstances?

38. When you look at the results of Questions 29 through 36, how much do you think you’re willing to pay in premiums?

**Policy 1**

 **Policy 2**

|  |  |
| --- | --- |
| yes/no | yes/no |
| $ | $ |
| yes/no | yes/no |

|  |  |
| --- | --- |
| $ | $ |
| $ | $ |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |

|  |  |
| --- | --- |
| $ | $ |

**WORKSHEET 3**

*Facts About My Long-Term Care Insurance Policy*

To use **after** you buy a long-term care policy. Fill out this form and put it with your important papers. You may want to make a copy for a trusted family member or friend.

1. Insurance Policy Date

Policy Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Purchased \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annual Premium $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Insurance Company Information \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Company \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Agent Information

Agent’s Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. Type of Long-Term Care Policy

\_\_\_\_\_ Nursing home only

\_\_\_\_\_ Facilities only

\_\_\_\_\_ Home care only

\_\_\_\_\_ Comprehensive (nursing home, assisted living, home and community care)

\_\_\_\_\_ Other

\_\_\_\_\_ Tax-qualified

5. How long is the waiting period before **benefits** begin?

6. How do I file a claim? (Check all that apply)

\_\_\_\_ I need prior approval

\_\_\_\_ Contact the company

\_\_\_\_ Fill out a claim form

\_\_\_\_ Submit a plan of care

\_\_\_\_ Doctor notifies the company

\_\_\_\_ Assessment by company

\_\_\_\_ Assessment by care manager

7. How often do I pay premiums: \_\_\_\_ Annually \_\_\_\_ Semi-annually \_\_\_\_ Other

Describe Other:

8. The person to be notified if I forget to pay the premium

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

9. Are my premiums deducted from my bank account? \_\_\_\_Yes \_\_\_\_ No

Name of my bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank account number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

10. Where do I keep this long-term care policy? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

11. Friend or relative who knows where my policy is:

Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**WORKSHEET 4**

*Long-Term Care Riders to Life Insurance Policies*

The purpose of this worksheet is to help you to evaluate one or more life/long-term care insurance policies. Fill out the form so you can compare your options. You will also want to fill out Worksheet 2 about the policy’s long-term care **benefits**.

**Life Insurance Company Information**

1. Name of the insurance company’s agent

2. Is the company licensed in your state?

3. Insurance rating service and rating

 (Refer to page 33)

**Policy Information**

4. What kind of life insurance policy is it?

Whole life insurance

Universal life insurance

Term life insurance

5. What is the policy’s premium?

6. Can the premium increase in the future?

 Under what circumstances?

7. How often is the premium paid?

One time / single premium

Annually for life

Annually for 10 years only

Annually for 20 years only

Other

8. Is there a separate premium for the policy’s long-term care benefit? If not, how is the premium paid?

• Included in life insurance premium?

• Deducted from the policy’s cash value?

9. How many people will the policy cover?

|  |  |
| --- | --- |
|  |  |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |
|  |  |

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |

|  |  |
| --- | --- |
| $ | $ |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |
| yes/no | yes/no |
| yes/no | yes/no |

|  |  |
| --- | --- |
|  |  |

10. Will the paying long-term care **benefits** decrease the policy’s death benefit and cash value?

11. Will an outstanding loan affect the long-term care **benefits**?

12. Did you get an illustration of guaranteed values? If yes, do the policy values equal zero at some age on a guaranteed or midpoint basis? If so, at what age?

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |

|  |  |
| --- | --- |
| yes/no | yes/no |
|  |  |

**WORKSHEET 5**

*Long-Term Care Insurance Personal Worksheet*

*Drafting Note*: *Companies shall at a minimum provide all of the information shown below and in the same order. The company may include additional information related to this long-term care insurance coverage in relevant and readable language. Bracketed statements indicate the companies should choose the applicable statement, are allowed flexibility in inserting numerical ranges, etc.*

**Long-Term Care Insurance Personal Worksheet**

This worksheet will help you understand some important information about this type of insurance. State law requires companies issuing this [policy] [certificate] [rider] to **give** you some important facts about premiums and premium increases and to **ask** you some important questions to help you and the company decide if you should buy this [policy] [certificate] [rider]. Long-term care insurance can be expensive and it may not be right for everyone.

**Premium Information**

**The premium for the coverage you’re considering will be** [$\_\_\_\_\_\_\_\_\_ per [insert payment interval] **or a total of** [$\_\_\_\_\_\_\_ per year] [a one-time single premium of $\_\_\_\_\_\_\_\_\_\_\_\_].

**The premium quoted in this worksheet isn’t guaranteed and may change during the underwriting process and in the future while this [policy] [certificate] [rider] is in force.**

*Drafting Note: Companies will insert payment interval – monthly, quarterly, etc. and the appropriate dollar amount.*

 **Type of Policy & The Company's Right to Increase Premiums on the Coverage You Choose:**

[[Noncancellable - The company **can’t** increase your premiums on this [policy] [certificate] [rider]].

[Guaranteed renewable - The company **can** increase your premiums on this [policy] [certificate] [rider] in the future if it increases the premiums for all [policies] [certificates] [riders] like yours in this state.]

[Paid-up - This [policy] [certificate] [rider] will be paid-up after you have paid all of the premiums specified in your [policy] [certificate] [rider].]

*Drafting Note: Companies will insert the appropriate policy type and the associated bracketed statement. Premium guarantees shall not be shown on this form.*

**Premium Increase History**

[Name of company] has sold long-term care insurance since [year] and has sold this [policy] [certificate] [rider] since [year].

[The company has never increased its premiums for any long-term care [policy] [certificate] [rider] it has sold in this state or any other state.]

[The company has not increased its premiums for this [policy] [certificate] [rider] or similar [policies] [certificates] [riders] in this state or any other state in the last 10 years.]

[The company has increased its premiums on this [policy] [certificate] [rider] or similar [policies] [certificates] [riders] in the last 10 years. A summary of those premium increases follows.]

*Drafting Note: If the summary of premium increases is extensive, the company may disclose the required premium increase history via an addendum attached to this worksheet. The company may substitute the language below for the last sentence in the paragraph above and include the full summary as an attachment to this worksheet.*

*“Over the past 3 years, the company has increased premiums by \_\_\_%.” “A summary of premium increases in the last 10 years is attached to this worksheet.”*

*Companies that have increased premiums by 30% or more in the last ten years must include the following statement: “There was a 30% or greater premium increase in \_\_\_\_\_(insert year).” “A summary of premium increases in the last 10 years is attached to this worksheet.”*

**Questions About Your Income**

You do **not** have to answer the questions that follow.  They’re intended to make sure you’ve thought about how you’ll pay premiums and the cost of care your insurance doesn’t cover.  If you don’t want to answer these questions, you should understand that the company might refuse to insure you.

**What resources will you use to pay your premium?**

􀂅Current income from employment 􀂅Current income from investments 􀂅Other current income 􀂅Savings 􀂅 Sell investments 􀂅Sell other assets 􀂅Money from my family 􀂅Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*If you’ll be paying premiums with money received only from your own income, a rule of thumb is that you may not be able to afford this [policy] [certificate] [rider] if the premiums will be more than 7% of your income.*

**Could you afford to keep this [policy] [certificate] [rider] if your spouse or partner dies first?**

􀂅 Yes 􀂅 No 􀂅Hadn’t thought about it 􀂅Don’t know 􀂅Doesn’t apply

**[What would you do if the premiums went up, for example, by 50%?**

􀂅Pay the higher premium 􀂅Call the company/agent 􀂅Reduce benefits 􀂅Drop the **[policy] [certificate] [rider]** 􀂅Don’t know]

*Drafting Note: The company is not required to use the bracketed question above if the coverage is fully paid up or is noncancellable.*

**What is your household annual income from all sources?** (check one)

􀂅[Less than $10,000] 􀂅$[10-19,999] 􀂅$[20-29,999] 􀂅$[30-50,000] 􀂅 [More than $50,000]

*Drafting Note:**The companies may choose the income ranges to put in the brackets to fit its suitability standards.*

**Do you expect your income to change over the next 10 years?** (check one)

􀂅No 􀂅Yes, expect increase 􀂅Yes, expect decrease

**If you plan to pay premiums from your income, have you thought about how a change in your income would affect your ability to continue to pay the premium?**

􀂅 Yes 􀂅 No 􀂅Don’t know

**Will you buy inflation protection?** (check one)

􀂅 Yes 􀂅 No

*Inflation may increase the cost of long-term care in the future.*

**If you don’t buy inflation protection, how will you pay for the difference between future costs and your daily benefit amount?**

􀂅From my income 􀂅From savings 􀂅 From investments 􀂅Sell other assets 􀂅Money from my family 􀂅Other

*The national average annual cost of long-term care in [insert year] was [insert $ amount], but this figure varies across the country. In ten years the national average annual cost would be about [insert $ amount] if costs increase 5% annually.*

*Drafting Note***:** *The projected cost can be based on federal estimates in a current year. This figure should also be used when calculating the cost of long-term care in the “approximate cost $\_\_\_\_ for that period of care” question found below. In the above statement, the second figure will equal 163% of the first figure.*

**What [elimination period][waiting period][cash deductible] are you considering?**

[Number of days \_\_\_\_\_\_\_\_ in [elimination period][waiting period]

Approximate cost of care for this period: $\_\_\_\_\_\_\_\_\_
($xxx per day times number of days in [elimination period][waiting period], where “xxx” represents the most recent estimate of the  national daily average cost of long-term care)]

[Cash Deductible $\_\_\_\_\_\_\_\_]

**How do you plan to pay for your care during the [elimination period] [waiting period] [deductible period]?** (check all that apply)

􀂅From my income 􀂅From my savings/investments 􀂅My family will pay

**Questions About Your Savings and Investments**

**Not counting your home, about how much are all of your assets (your savings and investments) worth?** (check one)

􀂅[Less than $20,000] 􀂅 [$20,000-$29,999] 􀂅 [$30,000-$49,999] 􀂅 [More than $50,000]

*Drafting Note:**Companies may choose the asset ranges to put in the brackets to fit its suitability standards*.

**Do you expect the value of your assets to change over the next ten years?** (check one)

􀂅No 􀂅Yes, expect to increase 􀂅Yes, expect to decrease

*If you’re buying this [policy] [certificate] [rider]**to protect your assets and your assets are less than $50,000, experts suggest you think about other ways to pay for your long-term care.*

**Disclosure Statement**

􀂅The answers to the questions above describe my financial situation.

**Or**

􀂅 I choose not to complete this information.

(Check one.)

􀂅 I agree that the company and/or its agent (below) has reviewed this worksheet with me including the premium, premium increase history and potential for premium increases in the future. I understand the information contained in this worksheet. (This box must be checked.)

*Drafting Note: For direct mail situations, the lead in sentence should be changed to “I agree that I have reviewed this worksheet including the premium….”*

Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Applicant) (Date)

[􀂅 I explained to the applicant the importance of answering these questions.

Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Agent) (Date)

Agent’s Printed Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

[In order for us to process your application, please return this signed worksheet to [name of company], along with your application.]

[My agent has advised me that this long-term care insurance [policy] [certificate] [rider] doesn’t seem to be suitable for me. However, I still want the company to consider my application.

Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ]

(Applicant) (Date)

*Drafting Note: Choose the appropriate sentences depending on whether this is a direct mail or agent sale.*

Someone from the company may contact you to discuss your answers and the suitability of this [policy] [certificate] [rider] for you.

*Drafting Note:* *When the Long-Term Care Insurance Personal Worksheet is furnished to employees and their spouses under employer group policies, the text from the heading “Disclosure Statement” to the end of the page may be removed.*

**List of State Insurance Departments, Agencies on Aging**

**and State Health Insurance Assistance Programs**

Each state has its own laws and regulations governing all types of insurance. The insurance departments, which are listed in the left column, are responsible for enforcing these laws, as well as providing the public with information about insurance. The agencies on aging, listed in the right column, are responsible for coordinating services for older Americans. Centered below each state listing is the telephone number for the insurance counseling programs. Please note that calls to 800 numbers listed here can only be made from within the respective state.

| INSURANCE DEPARTMENTS | **STATE HEALTH INSURANCE ASSISTANCE PROGRAMS** | **AGENCIES ON AGING** |
| --- | --- | --- |
| Alabama Department of Insurance201 Monroe Street, Suite 502Montgomery, AL 36104 (334) 269-3550Fax: (334) 241-4192[www.aldoi.org](http://www.aldoi.org) | Alabama State Health Insurance Assistance Program 1-800-243-5463www.alabamaageline.gov  | Department of Senior Services201 Monroe Street Suite 350Montgomery, AL 36104 1-800-243-5463(334) 242-5743Fax: (334) 242-5594 |
| Alaska Division of Insurance9th Floor State Office Bldg.333 Willoughby Ave. 99801P.O. Box 110805Juneau, Alaska 99811-0805(907) 465-2515Fax: (907) 465-3422TDD: (907) 465-5437[www.commerce.state.ak.us/insurance](file:///C%3A%5CDocuments%20and%20Settings%5CJCook%5CLocal%20Settings%5CTemporary%20Internet%20Files%5CJCook%5CLocal%20Settings%5CTemporary%20Internet%20Files%5CLocal%20Settings%5CTemporary%20Internet%20Files%5COLK170%5Cwww.commerce.state.ak.us%5Cinsurance) | Alaska State HealthInsurance AssistanceProgram1-800-478-6065 In State Only(907) 269-3680Fax: (907) 269-2045TYY: (800) 770-8973[dhss.alaska.gov/dsds/Pages/medicare/default.aspx](http://dhss.alaska.gov/dsds/Pages/medicare/default.aspx%22%20%5Ct%20%22_blank) | Alaska Commission on Aging240 Main Street Court Plaza BuildingP.O. Box 110693Juneau, AK 99811-0693(907) 465-4879 or (907) 465-3250Fax: (907) 465-1398 |
| American SomoaA.P. Lutali Executive Office BuildingPago Pago, American Samoa 96799011(684)-633-4116Fax: 011-684-633-2269 | AMERICAN SAMOA | Territorial Administration on AgingAmerican Samoa GovernmentPago Pago, American Samoa 96799011 (684) 633-1251 Fax: 1 (684) 633-2533 |
| Arizona Department of Insurance2910 North 44th Street, Suite 210Phoenix, AZ 85018-7269(602) 364-3100Fax: (602) 364-3470[www.id.state.az.us](http://www.id.state.az.us) | Arizona State Health Insurance Assistance Program1-800-432-4040Fax: (602) 542-6575des.az.gov/services/aging-and-adult/state-health-insurance-assistance-program-ship | Arizona Department of Economic SecurityDivision of Aging and Adult Services1789 W. Jefferson, No. 950APhoenix, AZ 85007(602) 542-4446Fax: (602) 542-6575 |
| Arkansas Department of Insurance1200 West 3rd StreetLittle Rock, AR 72201-1904(501) 371-26001-800-282-9134Fax: (501) 371-2618www.insurance.arkansas.gov | Arkansas Senior Health Insurance Information Program1-800-282-9134 or(501) 371-2600Fax: (501) 371-2618**https://insurance.arkansas.gov/pages/consumer-services/senior-health/** | Division of Aging & Adult Services Arkansas Dept. of Human Services700 Main StreetP.O. Box 1437, S530Little Rock, AR 72203-1437(501) 682-2441Fax: (501) 682-8155 |
| California Department of InsuranceOffice of the Ombudsman300 Capitol Mall, Suite 1700Sacramento, CA 95814(916) 492-3500www.insurance.ca.gov | California Health Insurance Counseling & Advocacy Program1-800-434-0222(916) 419-7500Fax: (916) 928-2267TDD: 1-800-735-2929www.aging.ca.gov/hicap/ | California Department of Aging1300 National Drive, Suite 200Sacramento, CA 95834 (916) 419-7500Fax: (916) 928-2267TDD: 1-800-735-2929 |
| Colorado Division of Insurance1560 Broadway, Suite 850Denver, CO 80202(303) 894-74991-800-930-3745Fax: (303) 894-7455www.colorado.gov/dora/division-insurance | Colorado Senior Health Insurance Assistance Program1-888-696-7213(303) 894-7552Fax: (303) 869-0151TYY: (303) 894-7455www.colorado.gov/dora/senior-healthcare-medicare | Colorado Division of Aging and Adult Services1575 Sherman Street, 10th FloorDenver, CO 80203 (303) 866-2800Fax: (303) 866-2696 |
| Commonwealth of the Northern Mariana Islands Department of Commerce POB 5795 CHRBSaipan, MP 96950011 (670) 644-3000Fax: 011 (670) 664-3067http://commerce.gov.mp/divisions/insurance | COMMOMWEALTHOF THE NORTHERN MARIANA ISLANDS | Mariana IslandsCNMI Office on AgingCommonweath of the Northern Marina IslandsP.O. Box 502178Saipan, MP 96950-2178011 (671) 734-4361Fax: 011 (670) 233-1327 |
| Connecticut Department of InsuranceP.O. Box 816Hartford, CT 06142-0816(860) 297-3800 or 800-203-3447Fax: 860-566-7410www.ct.gov/cid | Connecticut Program for Health Insurance Assistance, Outreach, Information & Referral Counseling and Eligibility Screening1-800-994-9422 or (860) 424-5023TDD (860) 842-4524 Fax: (860) 424-5301 www.ct.gov/agingservices/cwp/view.asp?a=2511&q=313032 | Connecticut Aging Services Div.Department of Social Services55 Farmington Avenue 12th FloorHartford, CT 06106(860) 424-5274 or 866-218-6631Fax: (860) 424-5301 |
| Delaware Department of InsuranceRodney Building841 Silver Lake BoulevardDover, DE 19904(302) 674-7300Fax: 302-739-5280http://insurance.delaware.gov/ | Delaware ELDERinfo1-800-336-9500(302) 674-7364Fax: (302) 739-6278http://insurance.delaware.gov/divisions/dmab/ | Division of Services for Aging & Adults with Physical DisabilitiesDept. of Health & Social Services1901 North DuPont HighwayNew Castle, DE 197201-800-223-9074Fax: (302) 255-4445TDD: 302-391-3505 |
| Department of Insurance, Securities and BankingGov’t of the District of Columbia810 First Street, N.E. Suite 701Washington, DC 20002(202) 727-8000Fax: (202) 535-1196http://disb.dc.gov | Health Insurance Counseling Project(202) 739-0668Fax: (202) 293-4043 TDD: (202) 973-1079https://dcoa.dc.gov/service/health-insurance-counseling | District of Columbia Office on Aging500 K Street NEWashington, DC 20002 (202) 724-5622 or (202) 724-5626Fax: (202) 724-2008TTY: (202) 724-8925 |
|  | FEDERATED STATES OF MICRONESIA | State Agency on AgingOffice of Health ServicesFederated States of MicronesiaPonape, E.C.I. 96941 |
| Florida Office of Insurance Regulation’s Long Range Program Plan200 East Gaines StreetTallahassee, FL 32399-0300(850) 413-3140Fax: 850-488-334www.floir.com | SHINE (Serving Health Insurance Needs of Elders)1-800-963-5337(850) 414-2000Fax: (850) 414-2150TDD: 1-800-955-8770[www.floridashine.org/](http://www.floridashine.org/) | Florida Department of Elder Affairs4040 Esplanade Way Suite 270Tallahassee, FL 32399(850) 963-5337Fax: (850) 414-2150TTY:800-955-8770 |
| Georgia Department of Insurance2 Martin Luther King Jr. DriveFloyd Memorial Bldg., 704 West TowerAtlanta, GA 30334(404) 656-20701-800-656-2298Fax: (404) 657-8542www.oci.ga.gov | GeorgiaCares1-866-552-4464(404) 657-5258Fax: (404) 657-5285 TDD: (404) 657-1929www.mygeorgiacares.org/ | Georgia Division for Aging Services2 Peachtree St. N.W., 33rd FloorAtlanta, GA 30303 (404) 657-5258(866) 552-4464Fax: (404) 657-5285 |
| Guam Dept. of Revenue and TaxationBanking Insurance CommissionerP.O. Box 23607GMF Barrigada, Guam 96921**(**1240 Army Drive, Barrigada, Guam, 96913)(671) 635-1817 Fax: (671) 633-2643www.guamtax.com | Guam Medicare Assistance Program (671) 735-7388Fax: (671) 735-7416TDD: (671) 735-7415 | Regulatory Programs AdministratorDept. of Revenue and TaxationP.O. Box 23607 GMF, BarrigadaGuam 96921 1240 Army Drive, Barrigada, Guam 96913 (use street address only if using US Express Mail, DHL, FedEx or UPS)Email: jqcarlos@revtax.gov.gu(671) 635-1835Fax: (671) 633-2643 |
| Hawaii Insurance Division P.O. Box 3614 335 Merchant Street, Room 213 Honolulu, HI 96811(808) 586-2790 or (808) 586-2799Fax: (808) 586-2806 http://cca.hawaii.gov/ins/ | Hawaii SHIP1-888-875-9229Fax: (808) 586-7299TDD: (866) 810-4379 http://health.hawaii.gov/eoa/home/hawaiiship/ | Hawaii Executive Office on AgingNo. 1 Capitol District250 South Hotel St., Suite 406Honolulu, HI 96813-2831(808) 586-0100Fax: (808) 586-0185 |
| Idaho Department of Insurance700 West State StreetP.O. Box 83720Boise, ID 83720-0043(208) 334-4250Fax: (208) 334-4398www.doi.idaho.gov | Senior Health Insurance Benefits Advisors1-800-247-4422(208) 334-4350Fax: (208) 334-4389www.doi.idaho.gov/shiba/ | Idaho Commission on Aging341 W. Washington, 3rd floorP.O. Box 83720Boise, ID 83720-0007(208) 334-3833Fax: (208) 334-3033 |
| Illinois Division of Insurance320 West Washington St.Springfield, IL 62767-0001866-445-5364(217) 782-4515Fax: (217) 782-5020TDD: 866-323-5321www.insurance.illinois.gov | Senior Health Insurance Program1**-(800) 252-8966**(217) 782-0004Fax: (217) 557-8457TDD: (217) 524-4872www.illinois.gov/aging/ship/Pages/default.aspx | Illinois Department on AgingOne Natural Resources Way, Suite 100Springfield, IL 62701 -12711-800-252-8966(217) 785-3356Fax: (217) 785-4477 |
| Indiana Department of Insurance311 W. Washington Street, Suite 300Indianapolis, IN 46204(317) 232-2385Fax: (317) 232-5251www.in.gov/idoi | State Health Insurance Assistance Program1-800-452-4800 (765) 608-2318Fax: (765) 608-2322 TDD: (866) 846-0139www.in.gov/idoi/2495.htm | Family and Social Services AdministrationDivision of Aging402 W. Washington St. P.O. Box 7083Indianapolis, IN 46207-70831-888-673-0002Fax: (317) 232-7867  |
| Iowa Division of Insurance601 Locust Street, 4th FloorDes Moines, IA 50309 (515) 281-5705877-955-1212Fax: (515) 281-3059https://iid.iowa.gov/ | Senior Health Insurance Information Program1-800-351-4664 In State Only(515) 281-5705Fax: (515) 281-3059 TTD 1-800-735-2942http://www.shiip.state.ia.us/  | Iowa Department on AgingJessie M. Parker Building510 East 12th St., Suite 2Des Moines, IA 50309-9025(515) 725-33331-800-532-3213TTY: (515) 725-3333 |
| Kansas Department of Insurance420 S.W., 9th StreetTopeka, KS 66612-16781-800-432-2484 (in Kansas only)(785) 296-3071Fax: (785) 296-7805www.ksinsurance.org | Senior Health Insurance Counseling for Kansas1-800-860-5260(316) 337-7386Fax: (785) 296-0256 http://www.kdads.ks.gov/commissions/commission-on-aging/medicare-programs/shick | Kansas Department on Aging and Disability ServicesNew England Building503 South Kansas AvenueTopeka, KS 66603-3404(785) 296-4986800-432-3535 (in Kansas only)Fax: (785) 296-0256TTY: (785) 291-3167 |
| Kentucky Department of InsuranceP.O. Box 517215 West Main StreetFrankfort, KY 40601(502) 564-3630800-595-6053 (in Kentucky only)Fax: (502) 564-6090TTY: 800-648-6056[http://insurance.ky.gov](http://doi.ppr.ky.gov/kentucky/) | State Health Insurance Assistance Program1-877-293-7447(502) 564-6930Fax: (502) 564-4595 TDD: 1-888-642-1137http://www.chfs.ky.gov/dail/ship.htm | Kentucky Office of Aging ServicesCabinet for Health Services275 East Main Street, 3E-EFrankfort, KY 40621 (502) 564-69301-800-372-2973TTY: 1-800-627-4702Fax: (502) 564-4595 |
| Louisiana Department of InsuranceP.O. Box 94214Baton Rouge, LA 70804(225) 342-5900800-259-5300 or 5301Fax: (225) 342-5711www.ldi.la.gov | Senior Health Insurance Information ProgramBoth In State Only1-800-259-5300 (225) 342-5301Fax: (225) 342-5711http://www.ldi.la.gov/SHIIP/ | Louisiana Department of HealthOffice of Aging and Adult ServicesP.O. Box 629Baton Rouge, LA 70821(225) 342-9500Fax: (225) 342-5568 |
| Maine Bureau of InsuranceDept. of Professional & Financial Reg.#34 State House Station Augusta, ME 04333-0034(207) 624-8475800-300-5000TTY: Maine relay 711Fax: (207) 624-8599http://www.maine.gov | Maine State Health Insurance Assistance ProgramIn State Only1-800-262-2232Fax: (207) 287-9229TDD: TTY - Maine relay 711 http://www.maine.gov/dhhs/oads/community-support/ship.html | Maine Office on Aging and Disability Services41 Anthony AvenueAugusta, Maine 04333(207) 287-9200TTY: Maine relay 711Fax: (207) 287-9229 |
| Maryland Insurance Administration200 St. Paul Place, Suite 2700Baltimore, MD 21202(410) 468-20001-800-492-6116TTY: 1-800-735-2258Fax: (410) 468-2020www.mdinsurance.state.md.us | Senior Health Insurance Assistance ProgramBoth in State Only1-800-243-3425(410) 767-1100Fax: (410) 333-7943TDD: 1-800-637-4113 http://www.aging.maryland.gov/Pages/StateHealthInsuranceProgram.aspx | Maryland Department of AgingState Office Building, Room 1007301 West Preston StreetBaltimore, MD 21201(410) 767-11001-800-243-3425Fax: (410) 333-7943 |
| Division of InsuranceCommonwealth of Massachusetts1000 Washington St., Suite 810Boston, MA 02118-6200(617) 521-7794 or (617) 521-77941-877-563-4467Fax: (617) 753-6830www.mass.gov/doi | Serving Health Information Needs of Elders1-800-AGE-INFO(617) 727-7750Fax: (617) 727-9368 http://www.mass.gov/elders/healthcare/shine/serving-the-health-information-needs-of-elders.html | Massachusetts Executive Office of Elder AffairsOne Ashburton Place, Room 517Boston, MA 02108(617) 727-7750 or800-243-4636Fax: (617) 727-9368 |
| Department of Financial and Insurance Services State of MichiganP.O. Box 30220Lansing, MI  48909-7720517-284-8800 877-999-6442Fax: 517-284-8837http://www.michigan.gov/difs | MMAP, Inc.1-800-803-7174(517) 886-0899Fax: (517) 886-1305 http://mmapinc.org/ | Michigan Offices of Services to the AgingP.O. Box 30676Lansing, MI 48909(517) 373-8230Fax: (517) 373-4092 |
| Minnesota Dept. of Commerce85 7th Place East, Suite 280St. Paul, MN 55101-2198(651) 539-15001-800-657-3602 (Greater MN only)Fax: (651) 297-1959https://mn.gov/commerce/industries/insurance/ | Minnesota State Health Insurance Assistance Program/Senior LinkAge Line1-800-333-2433Fax: (651) 431-7415 http://www.mnaging.org/Advisor/SLL/SLL\_SHIP.aspx | Minnesota Board on AgingAging and Adult Services DivisionP.O. Box 64976St. Paul, MN 55164-0976(651) 431-25001-800-882-6262Fax: (651) 431-7453TTY: 1-800-627-3529 |
| Mississippi Insurance Department1001 Woolfolk State Office Building501 N. West St.P.O. Box 79Jackson, MS 39205-0079(601) 359-3569 1-800-562-2957Fax: (601) 359-1077http://www.mid.ms.gov | MS State Health Insurance Assistance ProgramIn State Only1-800-948-3090(601) 359-4956Fax: (601) 359-9664 http://www.mdhs.state.ms.us/aging-adult-services/programs-daas/state-health-insurance-assistance-program/ | Mississippi Council on AgingDivision of Aging & Adult Services750 N. State StreetJackson, MS 39202(601) 359-4929800-948-3090 |
| Missouri Department of Insurance301 West High Street, Suite 530Jefferson City, MO 65101(573) 751-41261-800-726-7390Fax: (573) 526-6075www.insurance.mo.gov | Missouri CLAIM(573) 817-8320In State Only1-800-390-3330Fax: (573) 817-8341 https://missouriclaim.org/ | Missouri Department of Health and Senior Services912 Wildwood P.O. Box 570Jefferson City, MO 65102(573) 751-6400Fax: (573) 751-6010 |
| Montana Department of Insurance840 Helena AvenueHelena, MT 59601(406) 444-2040(800) 332-6148Fax: (406) 444-3497TDD: (406) 444-3246http://csimt.gov/ | Montana State Health Insurance Assistance Program1-800-551-3191Fax: (406) 444-7743TDD: (406) 444-2590http://dphhs.mt.gov/sltc/services/aging/SHIP/ship | Montana Office on AgingSenior Long Term Care DivisionDepartment of Public Health and Human Services2030 11th AveHelena, MT 596021-800-332-2272(406) 444-4077Fax: (406) 444-7743 |
| Nebraska Department of InsuranceP.O. Box 82089941 'O' Street, Suite 400Lincoln, NE 68508-2089(402) 471-2201 877-564-7323Fax: (402) 471-4610www.doi.nebraska.gov | Nebraska Senior Health Insurance Information Program(402) 471-2201In State Only1-800-234-7119 Fax: (402) 471-6559 TDD: 1-800-833-7352https://doi.nebraska.gov/consumer/senior-health | Nebraska Division of Aging and Disability ServicesP.O. Box 95026301 Centennial Mall-SouthLincoln, NE 68508402-471-3121Fax: (402) 471-4619 |
| Nevada Division of Insurance1818 E. College Pkwy., Suite 103Carson City, NV 89706(775) 687-0700888-872-3234Fax: (775) 687-0787www.doi.nv.gov | Nevada State Health Insurance Assistance Program1-800-307-4444(702) 486-3478Fax: (702) 486-0865 http://adsd.nv.gov/Programs/Seniors/SHIP/SHIP\_Prog/ | Nevada Division For Aging ServicesDepartment of Human Resources3416 Goni Road, Building, D-132Carson City, NV 89706(775) 687-4210Fax: (775) 687-0574 |
| New Hampshire Insurance Department21 South Fruit Street, Suite 14Concord, NH 03301(603) 271-2261800-852-3416Fax: (603) 271-1406TTY/TDD: 800.735.2964www.nh.gov/insurance | New Hampshire SHIP-ServiceLink Resource Center(866)-634-9412  (603) 271-4394Fax: (603) 271-4643TDD: 1-800-735-2964 https://www.servicelink.nh.gov | New Hampshire Division of Elderly & Adult ServicesState Office Park SouthBrown Building 129 Pleasant St. Concord, NH 03301-3857(603) 271-9203(800) 351-1888TDD: (800) 735-2964Fax: (603) 271-4643 |
| New Jersey Department of Insurance20 West State Street P.O. Box 325Trenton, NJ 08625(609) 292-72721-800-446-7467Fax: (609) 984-5273[www.state.nj.us/dobi](http://www.state.nj.us/dobi) | New Jersey State Health Insurance Assistance Program1-800-792-8820 (609) 292-1447Fax: (609) 943-4669http://www.state.nj.us/humanservices/doas/services/ship/ | New Jersey Division of Aging and Community ServicesDepartment of Health & Senior ServicesP.O. Box 715Trenton, NJ 08625-0812(609) 943-3437800-792-8820 |
| New Mexico Office of Superintendent of InsuranceP.O. Box 1689Santa Fe, NM 87504-1689(888) 427-5772http://www.osi.state.nm.us  | New Mexico ARDC/SHIP505-476-4846In State Only1-800-432-2080 Fax: (505) 476-4710  | New Mexico Aging & LTC Services Department2550 Cerrillos RoadSanta Fe, NM 87505(505) 476-47991-866-451-2901TTY: 1-505-476-4937 |
| New York State Insurance Department One State StreetNew York, NY 10004(212) 480-6400Fax: (212) 709-3520http://www.dfs.ny.gov/insurance/dfs\_insurance.htm | New York Health Insurance Information Counseling and Assistance Program (HIICAP) 1-800-701-0501(518) 474-7012Fax: (518) 486-2225 https://aging.ny.gov/HealthBenefits/Index.cfm | New York Office for the AgingTwo Empire State PlazaAlbany, NY 12223-12511-844-697-63211-800-342-9871 (NY Connects) |
| North Carolina Dept. of Insurance1201 Mail Service CenterRaleigh, NC 27699-1201(919) 807-67501-855-408-1212Fax: (919) 733-6495www.ncdoi.com | North Carolina Seniors’ Health Insurance Information Program1- 855-408-1212 (919) 807-6900 Fax: (919) 807-6901TDD: (800) 735-2962http://www.ncdoi.com/SHIIP/Default.aspx | North Carolina Division of Aging2101 Mail Service CenterRaleigh, NC 27699(919) 855-3400Fax: (919) 733-0443 |
| North Dakota Dept. of Insurance600 E. Boulevard, 5th FloorBismarck, ND 58505-0320(701) 328-24401-800.247.0560Fax: (701) 328-4880www.nd.gov/ndins | North Dakota State Health Insurance Counseling(888) 575-6611(701) 328-2440 TDD: 1-800-366-6888Fax: (701) 328-9610http://www.nd.gov/ndins/shic/ | North Dakota Aging Services DivisionDepartment of Human Services1237 West Divide Ave., Suite 6 Bismarck, ND 58501-0208(701) 328-46011-855-462-5465Relay ND TTY: 800-366-6888Fax: (701) 328-8744 |
| Ohio Department of Insurance50 W. Town Street, 3rd Floor, Suite 300Columbus, OH 43215(614) 644-26581-800-686-1526TDD: 614-644-3745Fax: (614) 644-3744www.insurance.ohio.gov | Ohio Senior Health Insurance Information Program1-800-686-1578(614) 644-3458TDD (614) 644-3745Fax: (614) 752-0740 http://www.insurance.ohio.gov/Consumer/Pages/ConsumerTab2.aspx | Ohio Department of Aging246 N. High St./1st Fl.Columbus, OH 43215-2406(614) 466-5500866-266-4346TTY – Relay Ohio: Dial 711Fax: (614) 466-5741 |
| Oklahoma Department of InsuranceFive Corporate Plaza3625 N.W. 56th, Suite 100Oklahoma City, OK 73112-4511(405) 521-28281-800-522-0071Fax: (405) 521-6635www.ok.gov/oid | Oklahoma Senior Health Insurance Counseling Program(405) 521-6628In State Only1-800-763-2828 Fax: (405) 522-4492 https://www.ok.gov/oid/Consumers/Information\_for\_Seniors/SHIP.html | Oklahoma Dept. of Human ServicesAging Services DivisionP.O. Box 253522401 N.W. 23rd St., St. 40Oklahoma City, OK 73107(405) 521-2281Fax: (405) 521-2086 |
| Oregon Insurance DivisionP.O. Box 14480Salem, OR 97310-0405350 Winter Street NESalem, OR 97301-3838503-378-41401-866-814-9710Fax: 503-947-7862www.insurance.oregon.gov | Oregon Senior Health Insurance Benefits Assistance(503) 947-7979In State Only1-800-722-4134 Fax: (503) 947-7092TDD: 1-800-735-2900 www.oregon.gov/dcbs/shiba/Pages/index.aspx | Oregon Senior & Disabled Services Division500 Summer St., N.E., E12Salem, OR 97310-1073(503) 945-5811TTY:503-282-8096Fax: 503-373-7823 |
|  | PALAU | State Agency on AgingDepartment of Social ServicesRepublic of PalauKoror, Palau 96940 |
| Pennsylvania Insurance Dept.1326 Strawberry SquareHarrisburg, PA 17120(717) 783-04421-877-881-6388Fax: (717) 772-1969www.insurance.pa.gov | Pennsylvania APPRISE1-800-783-7067(717) 783-1550Fax: (717) 772-3382http://www.aging.pa.gov/aging-services/insurance/Pages/default.aspx | Pennsylvania Department of Aging555 Walnut Street, 5th FloorHarrisburg, PA 17101-1919(717) 783-1550Fax: (717) 783-6842 |
| Puerto Rico Dept. of InsuranceB5 Calle Tabonuco Suite 216PMB 356Guaynabo, PR 00968-3029(787) 304-86861-888-722-8686Fax: (787) 237-6082www.ocs.gobierno.pr | Puerto Rico State HealthInsurance Assistance Program1-877-725-4300(787) 721-6121Fax: (787) 724-1152 https://www.cms.gov/cciio/Resources/consumer-assistance-grants/pr.html | Governors Office For Elderly AffairsP.O. Box 50063San Juan, PR 00919(787) 721-6121Fax: (787) 721-6510 |
|  | REPUBLIC OF THE MARSHALL ISLANDS | State Agency on AgingDepartment of Social ServicesRepublic of the Marshall IslandsMarjuro, Marshall Islands 96960 |
| Rhode Island Dept. of Business Regulation Insurance Division1511 Pontiac AvenueCranston, RI 02920 (401) 462-9500Fax: (401) 462-9532http://www.dbr.state.ri.us/divisions/insurance/ | Rhode Island State Health Insurance Program(401) 462-0510(401) 462-0530Fax: (401) 462-0503TDD: (401) 462-0740http://www.dea.ri.gov/insurance/ | Division of Elderly Affairs25 Howard Avenue, 2nd Floor, Bldg #57Cranston, RI 02920(401) 462-3000Fax: (401) 462-0740 |
| South Carolina Dept. of InsuranceCapitol CenterP.O. Box 100105Columbia, SC 292021201 Maine Street, Suite 1000Columbia, SC 29201(803) 737-6160Fax: 803-737-6231www.doi.sc.gov | South Carolina (I-CARE)Insurance Counseling Assistance and Referrals for Elders1-800-868-9095(803) 734-9900Fax: (803) 734-9887http://aging.sc.gov/programs/medicare/Pages/default.aspx | Dept. of Health and Human ServicesBureau of Senior ServicesP.O. Box 82061801 Main StreetColumbia, SC 29202-8206(803) 898-2850Fax: (803) 898-4515 |
| South Dakota Division of Insurance124 South Euclid Avenue, 2nd FloorPierre, SD 57501(605) 773-3563Fax: 605-773-5369www.dlr.sd.gov/insurance | South Dakota Senior Health Information & Insurance Education1-877-331-4834(605) 224-3212Fax: (605) 773-4085 **http://www.shiine.net/** | Aging and Disability Resource ConnectionsDepartment of Social Services700 Governors DrivePierre, SD 57501(605) 773-3165866-854-5465Fax: (605) 773-4085 |
| Tennessee Dept. of Commerce & Ins.Davy Crockett Tower500 James Robertson ParkwayNashville, TN 37243-0565(615) 741-2241https://www.tn.gov/commerce/section/insurance | Tennessee SHIP1-877-801-0044(615) 741-2056TDD (615) 532-3893Fax: (731) 741-3309http://www.tn.gov/aging/topic/ship | Tennessee Commission on Aging and DisabilityAndrew Jackson Building500 Deaderick Street, No. 825Nashville, TN 37243-0860(615) 741-2056 |
| Texas Department of Insurance333 Guadalupe StreetAustin, TX 787011-800 252-3439 Consumer Help Line(512) 676-6000http://www.tdi.texas.gov/ | Texas Health Information Counseling and Advocacy Program (HICAP)1-800-252-9240(512) 438-4205TDD: 1-800-735-2989Fax: (512) 438-4374http://www.tdi.texas.gov/consumer/hicap/ | Texas Department of Aging & Disability ServicesP.O. Box 149030 Austin, TX 78714-9030 1-800-458-9858(512) 438-3011 |
| Utah Department of Insurance3110 State Office BuildingSalt Lake City, UT 84114-1201(801) 538-3800800-439-3805Fax: 801-538-3829www.insurance.utah.gov | Utah Senior Health Insurance Information Program1-800-541-7735  (801) 538-3910Fax: (801) 538-4395 https://daas.utah.gov/seniors/ | Utah Division of Aging & Adult ServicesDepartment of Human Services195 North 1950 WestSalt Lake City, UT 84116(801) 538-3910Fax: (801) 538-4395  |
| Vermont Division of InsuranceDept. of Banking, Ins. & Securities89 Main StreetMontpelier, VT 05620-3101(802) 828-3302800-964-1784http://www.dfr.vermont.gov/insurance/insurance-division | Vermont State Health Insurance Assistance Program1-800-642-5119(802)-748-5182Fax: (802) 748-6622  | Vermont Department of Disabilities, Aging and Independent LivingHC2 South, 280 State DriveWaterbury, VT 05671-2020(802) 241-2401Fax: 802- 241-0386TTY: 802-241-3557 |
| Office of the Lieutenant Governor5049 Kongens GadeSt. Thomas, Virgin Islands 00802(340) 774-7166Fax: (340) 774-9458 or http://ltg.gov.vi/division-of-banking-and-insurance.html | Virgin Islands State Health Insurance Assistance Program (340) 714-4354Fax: (340) 772-2636http://ltg.gov.vi/vi-ship-medicare.html | Virgin Islands Senior Citizen AffairsDepartment of Human Services1303 Hospital Ground Knud Hansen ComplexBuilding ASt. Thomas, VI 00802**(340) 774-0930**Fax: (340) 774-0930 |
| State Corporation CommissionBureau of Insurance Commonwealth of VirginiaP.O. Box 1157Richmond, VA 23218(804) 371-9741800-552-7945 (VA only)877-310-6560Fax: 804-371-9944www.scc.virginia.gov/boi/ | Virginia Insurance Counseling and Assistance (VICAP)1-800-552-3402(804) 662-9333Fax: (804) 662-9354TDD: 1-800-552-3402 http://www.vda.virginia.gov/vicap.htm | Department For The Aging and Rehabilition ServicesVirginia Division for the Aging1610 Forest Avenue, Suite 100Richmond, VA 23229(804) 662-93331-800-552-3402TTY/TDD: Relay VA - Dial 711Fax: (804) 662-9354 |
| Washington Office of the Insurance Commissioner 302 Sid Snyder Avenue SWInsurance Suite 200Olympia, WA. 98504-0255(360) 725-71001-800-562-6900 Fax: (360) 586-3535[www.insurance.wa.gov](file:///C%3A%5CDocuments%20and%20Settings%5CJCook%5CLocal%20Settings%5CTemporary%20Internet%20Files%5CJCook%5CLocal%20Settings%5CTemporary%20Internet%20Files%5CLocal%20Settings%5CTemporary%20Internet%20Files%5COLK170%5Cwww.insurance.wa.gov) | Washington Statewide Health Insurance Benefits Advisors (SHIBA)1-800-562-6900(360) 725-7171Fax: (360) 586-4103TDD: (360) 586-0241https://www.insurance.wa.gov/statewide-health-insurance-benefits-advisors-shiba | Washington Aging & Long-Term Support AdministrationDept. of Social & Health ServicesBlake Office Park West4450 10th Avenue SELacey, WA 98503(360) 725-23001-800-422-3263TTY: 1-877-905-0454 |
| West Virginia Dept. of InsuranceP.O. Box 50540Charleston, WV 25305-0540(304) 558-33861-888-879-9842TDD: (800) 435-7381Fax: (304) 558-4965www.wvinsurance.gov | West Virginia State Health Insurance Assistance Program1-877-987-4463(304) 558-3317Fax: (304) 558-0004 http://www.wvship.org/ | West Virginia Bureau of Senior Services1900 Kanawha Blvd, EastCharleston, WV 25305-0160(304) 558-3317877-987-3646Fax: (304) 558-5609 |
| Office of the Commissioner of Ins.State of WisconsinP.O. Box 7873125 South Webster StreetMadison, WI 53703-3474(608) 266-35851-800-236-8517Fax: (608) 266-9935[www.oci.wi.gov](http://www.oci.wi.gov) | Wisconsin SHIP (608) 266-1865800-242-1060Fax: (608) 267-3203TTY: 888-701-1251**https://www.dhs.wisconsin.gov/benefit-specialists/medicare-counseling.htm** | Wisconsin **Board on Aging and Long Term Care**1402 Pankratz St., Ste. 111Madison, WI 53704-4001800-815-0015Fax: 608-246-7001 |
| Wyoming Department of Insurance106 East 6th AvenueCheyenne, WY 82002-0440(307) 777-74011-800 438-5768Fax: (307) 777-2446http://doi.wyo.gov/ | Wyoming State Health Insurance Information Program1-800-856-4398Fax: (307) 777-2446 http://www.wyomingseniors.com/services/wyoming-state-health-insurance-information-program | Wyoming Aging DivisionDepartment of Health6101 Yellowstone RoadCheyenne, WY 82002(307) 777-7986 or 1-800-442-2766Fax: (307) 777-5340 |

Endnotes

1. <http://newsroom.genworth.com/2016-05-10-Genworth-2016-Annual-Cost-of-Care-Study-Costs-Continue-to-Rise-Particularly-for-Services-in-Home> [↑](#endnote-ref-1)
2. <http://newsroom.genworth.com/2016-05-10-Genworth-2016-Annual-Cost-of-Care-Study-Costs-Continue-to-Rise-Particularly-for-Services-in-Home> [↑](#endnote-ref-2)
3. <https://www.ltcfeds.com/start/aboutltc_cost.html> [↑](#endnote-ref-3)
4. <https://www.medicare.gov/Pubs/pdf/10153.pdf> [↑](#endnote-ref-4)
5. <https://www.medicare.gov/coverage/skilled-nursing-facility-care.html> [↑](#endnote-ref-5)
6. [www.medicare.gov/Publications/Pubs/pdf/02110.pdf](http://www.medicare.gov/Publications/Pubs/pdf/02110.pdf) [↑](#endnote-ref-6)
7. www.cms.gov/NationalHealthExpendData/downloads/tables.pdf. Medicaid pays for 31.5% of aggregate costs of all Nursing Care Facilities and Continuing Care Retirement Communities (Table 12. 2010 data). [↑](#endnote-ref-7)
8. Omnibus Budget Reconciliation Act of 1993 (OBRA). OBRA requires each state to have an Estate recovery Program,” which is designed to recover the costs of Medicaid-paid benefits from that person’s estate or the estate of his or her spouse. If you are age 55 or over and receive Medicaid benefits for nursing home care and related services, OBRA requires that States recover the paid benefits from your estate in an amount equal to the total of the assistance. This could include your home and any other property that otherwise would be passed to your heirs. www.gpo.gov/fdsys/pkg/BILLS-103hr2264enr/pdf/BILLS-103hr2264enr.pdf . [↑](#endnote-ref-8)
9. <https://www.acl.gov/sites/default/files/Aging%20and%20Disability%20in%20America/2016-Profile.pdf> [↑](#endnote-ref-9)
10. <https://longtermcare.acl.gov/the-basics/who-needs-care.html>. [↑](#endnote-ref-10)
11. <https://www.cdc.gov/nchs/fastats/nursing-home-care.htm> [↑](#endnote-ref-11)
12. http://longtermcare.gov/the-basics/how-much-care-will-you-need [↑](#endnote-ref-12)
13. <https://www.census.gov/population/projections/data/national/2014.html> [↑](#endnote-ref-13)
14. http://aspe.hhs.gov/daltcp/reports/ltcinsfr.htm [↑](#endnote-ref-14)
15. Members of the federal family can obtain information on this program from the United States Office of Personnel Management by calling the toll-free number 1-800-582-3337 or by accessing the website at www.ltcfeds.com [↑](#endnote-ref-15)
16. https://www.irs.gov/uac/soi-tax-stats-tax-stats-at-a-glance [↑](#endnote-ref-16)
17. https://www.irs.gov/pub/irs-drop/rp-16-55.pdf [↑](#endnote-ref-17)
18. <http://www.modernhealthcare.com/article/20160510/NEWS/160519999> [↑](#endnote-ref-18)
19. Minnesota Department of Commerce Rate Filings as of April 2013. [↑](#endnote-ref-19)
20. <https://www.ahip.org/wp-content/uploads/2017/01/LifePlans_LTC_2016_1.5.17.pdf> [↑](#endnote-ref-20)
21. [www.ahip.org/Issues/Long-Term-Care-Insurance.aspx](http://www.ahip.org/Issues/Long-Term-Care-Insurance.aspx) **TO BE VERIFIED BY AHIP AND UPDATED**

  [↑](#endnote-ref-21)