

**Long Term Care Insurance
Personal Worksheet**

People buy long-term care insurance for many reasons. Some don't want to use their own assets to pay for long-term care. Some buy insurance to make sure they can choose the type of care they get. Others don't want their family to have to pay for care or don't want to go on Medicaid. But long term care insurance may be expensive, and may not be right for everyone.

By state law, the insurance company must ask you to fill out this worksheet to help you and the company decide if you should buy this policy.

Premium Information

Policy Form Number _____

The premium for the coverage you are thinking about buying will be [\$_____ per month, or \$_____ per year,] [a one-time single premium of \$_____].

Type of Policy (noncancellable/guaranteed renewable): _____

The Company's Right to Increase Premiums: _____

[The company cannot raise your rates on this policy.] [The company has a right to increase premiums on this policy in the future, provided it raises rates for all policies in the same class in this state.] [Insurers shall use appropriate bracketed statement. Rate guarantees shall not be shown on this form.]

Rate Increase History

The company has sold long-term care insurance since [year] and has sold this policy since [year]. . [The company has never raised its rates for any long-term care policy it has sold in this state or any other state.] [The company has not raised its rates for this policy form in this state or any other state in the last 10 years.] [The company has raised its premium rates on this policy form in the last 10 years. Following is a summary of the rate increases.]

Drafting Note: The company may use the first bracketed sentence above only if it has never increased rates under any prior policy forms in this state or any other state. The insurer shall list each premium increase it has instituted on this form in this state or any other state during the last 10 years. The list shall provide the policy form, the calendar years the form was available for sale, and the calendar year and the amount (percentage) of each increase. The insurer shall provide minimum and maximum percentages if the rate increase is variable by rating characteristics. The insurer may provide, in a fair manner, additional explanatory information as appropriate.

Questions Related to Your Income

How will you pay each year's premium?

From my Income From my Savings/Investments My Family will Pay

1 **Have you considered whether you could afford to keep this policy if the premiums went**
2 **up, for example, by 20%?**

3 What is your annual income? (check one)

4 **Under \$10,000** **[\$10-20,000]** **[\$20-30,000]** **[\$30-50,000]**
5 **Over \$50,000**

6 Drafting Note: **The insurer may choose the numbers to put in the brackets to fit its**
7 **suitability standards.**

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

9 **No change** **Increase** **Decrease**

10 *If you will be paying premiums from your own income, a rule of thumb is that you may not be*
11 *able to afford this policy if the premiums will be more than 7% of your income.*

12 Will you buy inflation protection? (check one) **Yes** **No**

13 If not, have you considered how you will pay for the differences between future costs and your
14 daily benefit amount? **From my Income** **From my Savings/Investments**
15 **My Family will Pay**

16
17 *The national average annual cost of care in [insert year] was [insert \$ amount], but this*
18 *figure varies across the country. In ten years the national average annual cost would be*
19 *about [insert \$ amount] if costs increase 5% annually.*

20
21 Drafting Note: The projected cost can be based on federal estimates in a current year. In the
22 above statement, the second figure equals 163% of the first figure.

23
24 What elimination period are you considering? Number of days _____ Approximate cost \$ _____
25 for that period of care.

26
27 How are you planning to pay for your care during the elimination period? (check one)
28 **From my Income** **From my Savings/Investments** **My Family will Pay**
29

30 **Questions Related to Your Savings and Investments**
31

32
33 **Not counting your home, about how much are all of your assets worth (your savings and**
34 **investments)? (check one)**

35 **Under \$20,000** **\$20,000-\$30,000** **\$30,000-\$50,000** **Over \$50,000**

36 **How do you expect your assets to change over the next ten years? (check one)**

37 **Stay about the same** **Increase** **Decrease**

38 *If you are buying this policy to protect your assets and your assets are less than \$30,000, you*
39 *may wish to consider other options for financing your long-term care.*

1 **Disclosure Statement**

<input type="checkbox"/> The answers to the questions above describe my financial situation. Or <input type="checkbox"/> I choose not to complete this information. (check one)
<input type="checkbox"/> I acknowledge that the carrier and/or its producer (below) has reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. [For direct mail situations, use the following: I acknowledge that I have reviewed this form including the premium, premium rate increase history and potential for premium increases in the future.] I understand the above disclosures. I understand that the rates for this policy may increase in the future. (This box must be checked.)

2
3
4 **Signed:**

5 (Applicant) (Date)

6
7 I explained to the applicant the importance of completing this information.

8
9 Signed: _____
10 (Producer) (Date)

11
12 Product's Printed Name: _____]

13
14 **[Note: In order for us to process your application, please return this signed statement to**
15 **[name of company], along with your application.]**

16 **[My producer has advised me that this policy does not seem to be suitable for me. However,**
17 **I still want the company to consider my application.**

18 Signed: _____]
19 (Applicant) (Date)

20
21 **Drafting Note: Choose the appropriate sentences depending on whether this is a direct mail**
22 **or producer sale.**

23 *The company may contact you to verify your answers.*

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