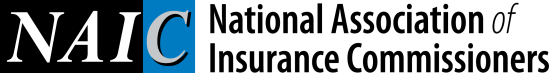
*A Shopper’s Guide to*

LONG-TERM CARE

INSURANCE





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.

**National Association of Insurance Commissioners**

1100 Walnut Street  
Suite 1500  
Kansas City, MO 64106-2197  
  
**Phone: (816) 842-3600  
Fax: (816) 783-8175**

www.naic.org

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**About This Shopper’s Guide**

The decision to buy long-term care insurance is a very important financial decision that shouldn’t be rushed. 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. Some states produce their own shopper’s guide with state specific information.

Take a moment to review the table of contents below for an overview of this guide. Take your time and read the guide carefully. If you see a term you don’t understand, look in the glossary starting on page XX. (Terms in **bold** in the text are in the glossary.)

If you decide to shop for a long-term care insurance policy, start by evaluating and comparing long-term care policies. You may already have a policy or may be shopping for a first-time policy. If you decide to shop for a long-term care insurance policy, whether it’s a new policy or a replacement policy, start by completing a personal assessment to gauge your need for long-term care insurance, getting information about the long-term care services and facilities you might use and how much they charge.

Use the Personal Assessment starting on page XX to write down information about the facilities and services in your area and to compare long-term care insurance policies.

If you have questions, call your state insurance department or another consumer assistance agency for state specific information.See the list of state insurance departments, agencies on aging, and **state health insurance assistance programs** that can assist you in obtaining state specific informationstarting on page XX.

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**What Is Long-Term Care?**

This kind of care is different from medical care, because it generally helps you to live as you live now instead of improving or correcting medical problems. People often think of long-term care as strictly **nursing home** care. Long-term care services actually may include help with **activities of daily living, home care, respite care, hospice** **care,** or **adult day care.** This care maybe given in your own home, an **adult day care** facility, **assisted living facility**, **nursing home**, or in a **hospice facility**.

**NOTE:** **Medicare** generally doesn’t pay for **personal care** services when you aren’t also receiving **Medicare**-covered **skilled care** services. **Medicare** has its own definition of **skilled care**. Refer to the booklet, *[Medicare & You](https://www.medicare.gov/medicare-and-you)*, to learn more about how **Medicare** defines **skilled care**.

**Personal Assessment**

It’s important to identify your reason(s) for buying a policy. This influences many of the choices you’ll make in selecting coverage. A person with few resources, a modest income, and a goal of staying off **Medicaid**, approaches a purchase one way. A person with a larger amount of assets and income may approach it differently.

Please review the **Personal Assessment** document starting on page XX to help you determine whether a long-term care insurance policy right for you and your family.

**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 2017, the national average cost of **nursing home** care was about $85,776 per year (for a semi-private room). This cost doesn’t include items such as therapies and medications, which could greatly increase the cost.

***Assisted Living Facility Costs***

In 2017, **assisted living facilities** reported charging $3,750 a month (for a one-bedroom unit) on average, or $45,000 each year, including rent and most other fees. Residents may pay more for additional care.

***Home Care Costs***

In 2017, the cost of basic **home care** averaged $21.50 per hour for a home health aide in the U.S. That’s $33,540 per year for a home health aide who visits six hours per day, five days a week. **Skilled care** from a nurse in your home is typically more expensive. Annual costs for **home care** depend on the number of days a week the caregiver visits, the type of care required, and the length of each visit. **Home care** can be unaffordable for many 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 XX.)

**How Might You Pay For Long-Term Care?**

People pay for long-term care in different ways. These include individuals’ or their families’ personal resources, including savings, investments or other assets such as a home, long-term care insurance, and some help from **Medicaid** for those who qualify. **Medicare**, **Medicare supplement insurance**, or your employee or retiree health insurance 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** does NOT cover long-term care. However, **Medicare** Part A does cover **skilled nursing facility care**, **nursing home care** (as long as **custodial care** isn’t the only care you need), **hospice care**, and limited **home care**. You should NOT count on **Medicare** to pay your long-term care costs.Please see *[www.medicare.gov/coverage/long-term-care.html](http://www.medicare.gov/coverage/long-term-care.html)* for more information about **Medicare**.

***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. **Medigap** usually doesn’t pay for long-term care. Please see *[www.medicare.gov/supplement-other-insurance/medigap/whats-medigap.html](http://www.medicare.gov/supplement-other-insurance/medigap/whats-medigap.html)* for more information about **Medigap**.

***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. **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 XX.)

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, subject to certain rules.Contact your state **Medicaid** office, state 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 XX.)

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

If you have a major illness or injury, such as a stroke, heart attack, or broken hip, and need assistance with **activities of daily living**, such as **bathing** or **dressing**, you may need long-term care. If you do need care, you may need **nursing home** or **home 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.
* About 11 million Americans of all ages require long-term care, but only 1.4 million live in **nursing homes**.
* About 70% of people who reach age 65 are expected to need some form of long-term care at least once in their lifetime.
* 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.

From 2015 to 2055, the number of people aged 85 and older will almost triple from over 6 million to over 18 million. This growth is certain to lead to an increase in the number of people who need long-term care.

***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 XX. 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 XX.) 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. Examine the Personal Assessment and Long-Term Care Policy Checklist starting on page 29 to help you determine whether buying long-term care insurance is right for your situation.

However, carefully consider whether buying a policy makes financial sense 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 (See the Long-Term Care Insurance Personal Worksheeton page XX) to decide if long-term care insurance is right for you. It also asks you questions about your income and your savings and investments to help with your decision. 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 nor rely solely on long-term care insurance. Paying for long term care can be done by combining different ways together, such as assets, income, and Long-Term Care Insurance.  For some, a policy is affordable and worth the cost. For others, it may be unaffordable. 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 family members, a friend, and a trusted and knowledgeable financial professional to decide if long-term care insurance is right for you.

**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 may want to 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 afford to pay the insurance premiums, including possible premium increases.

• You don’t want to burden family or friends.

• 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. 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 XX.)

**What Types of Policies or Contracts Can I Buy that Provide Long-Term Care Benefits or Coverage?**

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. These programs are voluntary, and participants pay the premiums. You also can get long-term care **benefits** through some life insurance policies.

***Individual Policies***

One of your options is a long-term care insurance policy. 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. Shop among policies, companies, and agents to get the coverage that best fits your needs.

***Life Insurance Policies and Annuity Contracts***

***A Life Insurance Policy or Annuity Contract You Already Have***

If you have a **cash value** life insurance policy, you can take some of the **cash value** to pay for long-term care expenses. But first, ask how a withdrawal might affect your **death benefits** and talk with your tax advisor or consultant. Or, if you no longer need the policy, you could cancel (or surrender) it and take all of the **cash value**. But think about how that would affect your beneficiaries.

If you have an annuity, you may be able to take some of the annuity’s value to pay for long-term care expenses. Most annuities require you to pay a surrender charge to withdraw some of the value. Some companies will waive that charge if the withdrawal is to pay for long-term care.

***A Hybrid/Combination Life Insurance Policy or Annuity Contract That Have Provisions That Could Be Used for Long-Term Care***

An increasing number of life insurance policies and some annuity contracts now offer an add-on **rider** that you could use to pay long-term care expenses. This type of **rider** gives you more coverage if you need long-term care. You usually pay an extra premium for a **rider**.

A life insurance policy that uses an **accelerated death benefit** (sometimes called a living benefit) could be used to pay for long-term care expenses also may be called a “life/long-term care,” “hybrid,” “linked benefits,” or “combo” policy. It may be an individual or a group life insurance policy. This **benefit** lets you access some or all of the policy’s **death benefit** while you’re alive. You must meet certain conditions to use the **rider** to pay for long-term care expenses. Usually, the **benefit triggers** are being unable to perform a certain number of **activities of daily living** or being **cognitively impaired**.

The company may pay **benefits** in one of two ways. One way is a reimbursement based on your long-term care expenses. Or, the company may pay a set amount each month (an **indemnity benefit**). The amount is either set in the **rider** or the owner chooses it. In either case, there may be minimum and maximum amounts paid each month based on the policy **benefit**.

A life insurance policy with an accelerated benefit **rider** for long-term care must follow all of the laws and regulations that apply to long-term care policies. Many of these **riders** may be **tax-qualified**. Consult with your tax advisor or tax consultant

Long-term care **benefits** paid as an **accelerated death benefit** likely will reduce the **death benefit** the policy will pay after you die. For example, suppose your policy has a $100,000 **death benefit** and you use $60,000 for long-term care. Then your beneficiary would get a $40,000 **death benefit**, not $100,000. Some policies may offer a small **death benefit** even if all of the original **death benefit** amount is used for long-term care expenses.

Also, many life insurance policies and annuity contracts offer **benefits** beyond **acceleration of the death benefit**. These are often called **extension of benefits riders**. They provide more **benefits** for a set period of time after you’ve used up a policy’s **cash value** and/or **death benefit** or your annuity’s value. These policies offer both **accelerated death benefits** and an **extension of benefits** **rider**. The **benefits** may increase by a set inflation percentage.

As with all insurance products, premiums are higher for policies with more **benefits**. So, the premium for a traditional stand-alone long-term care policy could be much less than the premium for a hybrid/combo policy, all else being equal.

~~A growing number of life insurance policies and annuity contracts now either include a built-in long-term care~~ **~~benefit~~** ~~or offer an add-on~~ **~~rider~~** ~~that pays for long-term care expenses. A~~ **~~rider~~** ~~is an additional form that is attached to the original policy or contract on or after its date of issue.~~

~~For a life insurance policy, the long-term care expenses may be paid from the policy’s cash value or~~ **~~death benefit~~**~~, or a combination of the two.~~

~~For an annuity, long-term care expenses may be paid from the annuity’s value or an enhanced long-term care value.~~

~~Some companies may also offer an extension of~~ **~~benefits~~****~~rider~~** ~~that would provide additional long-term care coverage in the event your long-term care expenses fully exhaust your policy’s cash value and/or~~ **~~death benefit~~** ~~or your annuity’s value.~~

~~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 or “hybrid” policy. It may be an individual or a group life insurance policy. The company pays a~~ **~~benefit~~** ~~that may be a percentage of your charges or an~~ **~~indemnity benefit~~** ~~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 long-term care~~ **~~benefits~~** ~~are paid as an acceleration, it may reduce the~~ **~~death benefit~~** ~~paid. Some policies may offer a small residual~~ **~~death benefit~~** ~~if the set~~ **~~death benefit~~** ~~amount is used for 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. If you decide to withdraw your cash value, it will reduce the amount you could receive if you cash in the policy while you are alive. Your policy may have specific limitations are the timing and amount of the withdrawals.~~

~~An annuity often will let you withdraw some of the value to pay long-term care expenses without paying a surrender charge. Some annuities have a built-in~~ **~~benefit~~** ~~or optional~~ **~~rider~~** ~~that pays for your long-term care expenses. Be aware that each annuity policy is different, and you should ask your agent or the insurance company how the payments for long-term care expenses work. If you have an annuity, you should speak with agent about the annuity you have and how it may help you pay for 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.~~ ~~See the Personal Assessment and Long-Term Care Policy Checklist on page XX to help you evaluate using a life insurance policy to pay for long-term care services.~~

***Policies from Your Employer***

Your employer may offer a group long-term care insurance plan or individual policies at a group discount. 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 as many 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.

. If you leave your job, you are fired or your employer cancels the group plan, insurance companies must let you keep your coverage. 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. A company completes **underwriting** and issues 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.

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**. If you are joining an association just to buy insurance, consider the cost of membership in the total cost of coverage. In addition, understand your options and rights if coverage should end.

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

**Continuing Care Retirement Communities** (**CCRC**) may 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.

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

There are long-term care insurance **partnership policies** that help you manage the financial impact of spending down your assets 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. Note these vary by state.

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 protection** for those ages 61 to 75.

NOTE: This **inflation protection** requirement varies in the following states: California, Connecticut, Indiana and New York

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](http://www.naic.org/state_web_map.htm). Also, the U.S. Department of Health and Human Services maintains a website at https://longtermcare.acl.gov/costs-how-to-pay/what-is-long-term-care-insurance/where-to-look-for-long-term-care-insurance.html 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, you may be able to deduct part or all of the premium you pay for a qualified policy. Consult with your tax advisor or tax consultant how this may apply to you.

*Federally* ***Tax-Qualified*** *Policies*

* Can deduct annual premiums, subject to a cap
* **Benefits** received generally aren’t counted as income

*Federally Non-Tax Qualified Policies*

* Annual premiums can’t be deducted
* **Benefits** received generally are counted as income

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** (as defined under the Internal Revenue Code), include a number of consumer protections, and cover only qualified long-term care services.  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.

Qualified long-term care services usually are those from long-term care providers. You must be **chronically ill**. Your 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 XX.)

Some life insurance and annuity policies with long-term care **benefits** may be **tax-qualified**. However, be sure to check with your personal tax advisor or tax consultant to learn how much of the premium can be deducted as a medical expense. Tax-qualified life insurance and annuity 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**.

There are deferred annuities which provide long-term care **benefits** by providing an enhanced long-term care value greater than the **cash value** when used for qualifying care.  Some annuities are **tax-qualified** and have tax advantages that are not provided to annuities which simply allow you to withdraw some of the **cash value** without paying a surrender penalty. You should consult with your tax advisor or tax consultant for more information.



**How Long-Term Care Benefits Are Paid?**

Long-term care insurance policies generally pay **benefits** by different methods of payment.

Once it is determined that you are eligible to receive LTC **benefits**, long-term care insurance policies generally pay **benefits** using one of three different methods:

* The **expense-incurred** method pays you or your provider the lesser of either the expense or dollar limit of your policy,
* The **indemnity method** pays **benefits** based on a set dollar amount that is paid directly to you, and
* The **disability method** pays you the full **daily benefit** regardless of whether you are not receiving long term care services.

Most policies purchased today pay **benefits** according to the **expense-incurred** method.



***Shared Care***

You may be able to buy long-term care insurance that covers more than just one person, often called **shared care**.

The maximum lifetime **benefit** usually applies to both individuals. If either covered individual collects **benefits**, that amount is subtracted from the maximum lifetime **benefit**. For example, suppose two people have **shared care** that has a $150,000 maximum lifetime **benefit** and one person uses $25,000 in **benefits**. Then $125,000 would be left to pay **benefits** for either person or both. Some coverages have provisions to protect each individual from the other person using up all the **benefits**.

In one variation, neither individual can access the other person’s coverage. Instead there is a “third pool” which both individuals can share.

***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 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 care** in several ways. Those who may provide care may be limited by your policy or state requirements. For instance, services may need to be provided from a licensed provider or agency. Other policies may pay for services from **home 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**: Most policies do not pay **benefits** to family members who provide care and may not apply any care they provide to your **elimination** or **waiting period**.  Check the exclusions or definition section of your policy.

***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 *(described in your policy),* the insurance company can refuse to pay for your care. There may be other​​ options for elder care in the future. Your policy might not cover those, but you always should check with your insurance company before making plans for your care.

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. 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: 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 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.

***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 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**

The most common way insurance companies decide when you’re eligible for **benefits** is that you are expected to be unable to do 2 ADLs without human assistance for 90 days. Most policies use six ADLs: **bathing**, **continence**, **dressing**, **eating**, **toileting**, and **transferring**.

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 say that someone must be actively engaged into helping you do the activities. That’s known as **hands-on assistance**. Others say you qualify even if you only need someone nearby to help you if you need it (**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.

**Cognitive Impairment**. Another **benefit trigger** is “**cognitive impairment**.” Coverage of **cognitive impairment** is especially important if you develop **Alzheimer’s disease** or other **dementia**.

**Doctor Certification of Medical Necessity**. Another **benefit trigger** is “medical necessity.” Some long-term care insurance policies require that your doctor order- or certify that care is medically necessary. However, **tax-qualified** policies can’t use this **benefit trigger**.

**NOTE**: **Medicare** still requires a three-day hospital stay to be eligible for **Medicare** payment of skilled nursing facility **benefits**. Generally, today’s long-term care policies don’t require pre-hospitalization to be eligible for **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. Typically, a single **elimination period** applies to any covered service, but the **elimination period** for **home care** may be shorter.

The **elimination period** can be 20, 30, 60, 90, or 100 days before **benefits** begin. It’s important to remember that you must pay for your own care during the **elimination period** before **benefits** can begin. Companies don’t pay for care provided by family members during or after the **elimination period**, it’s important that you understand how an **elimination period** is defined and applied in any policy you buy.

There are two ways that companies count an **elimination period**.

Under a “calendar day” method, every day that you satisfy the **benefit triggers** count toward the **elimination period** whether or not you received any services on those days. However, many coverages will not start counting those days until you incur costs. So, it can be important to get commercial services as soon as possible when you need care.

Under the service days method, only the days that you pay for professional care services covered by the policy count toward the **elimination period**. For example, if you only use paid care for three days a week, it will take longer for your **benefits** to start than if you use paid care five days a week. So, you would have more out-of-pocket costs 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.

For example:

* A 30-day **waiting period** means the insurer will not cover long-term care costs incurred during the first 30 days you would otherwise be eligible.
* A 90-day **waiting period** means the insurer will not cover long-term care costs incurred during the first 90 days you would otherwise be eligible.

When considering what **waiting period** to choose, keep in mind that, by the time you need care, long-term care may be much more costly than today and your maximum **daily benefit** may have inflated.  If you have a financial partner, consider also that you and your partner might both go through **waiting periods**.

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**.”

***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, because it increases the potential **benefits**. 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. For example, if inflation is 5% a year, a **nursing home** that costs $150 a day in 2018 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 maximum **daily benefit** automatically increases each year by a fixed percentage, usually 3%, for the life of the policy or for a certain period, usually 10 or 20 years.

Policies that increase **benefits** for inflation automatically “compound” rates. If the increase is compounded, the annual increase will be a larger dollar amount each year and at 3% a year, the $200 **daily benefit** will be $531 a day by 2050.

The following table shows the effects of inflation on cost of care over a 30-year period, assuming a daily cost of $200 in 2020.

**Compound Interest**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rate of Inflation** |  | **2020** | **2030** | **2040** | **2050** |
| 3% |  | $200 | $326 | $416 | $531 |
| 5% |  | $200 | $358 | $479 | $641 |
| 7% |  | $200 | $393 | $552 | $774 |
|  |  |  |  |  |  |



*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.

***Third Party Notice***

You can name someone the insurance company would be required to contact if your coverage is about to end because your premiums aren’t paid. Without this notice, people with **cognitive impairments** who forgetto pay the premium might 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. 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.

***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**. When you die, this **benefit** pays to your estate any premiums you paid, generally reduced by any **benefits** the company paid. Some provisions refund premiums only if the policyholder dies before a certain age, usually 65 or 75 and some refund only upon the second death of a couple.

**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 **benefits** depends 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?***

Most long-term care insurance have no **pre-existing** condition limitation. However, if you purchased through your employer and some evidence of good health was waived, a **pre-existing** exclusion might apply. Generally, a **pre-existing condition** is one for which you got medical advice or treatment or had symptoms within six months before you applied for the policy.

A company that learns about a **pre-existing** condition not disclosed on your application might not pay for long-term care related to that condition and might even **rescind** your coverage. A company usually can do this only within two years after you bought the insurance policy. However, there is usually no time limit if you *intentionally* don’t tell the company about a **pre-existing** condition on your application.

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

Long-term care insurance is **guaranteed renewable**. **Guaranteed renewable** means that you can keep your coverage if you pay your premium on time. 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 **guaranteed renewable** insurance but only if they increase the premiums on all policies that are the same in that state. Any such premium increase must be filed and/or approved by the state insurance department. **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. If you buy coverage under 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 plan sponsor or review your **Certificate of Coverage** whether you have 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 or Use Long-Term Care” on page 4.) 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 59.

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 XX. 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. 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.*

The following table *does not* account for basic long-term care insurance that is part of a life insurance or annuity policy.

**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.

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. Again, it probably isn’t a good idea to buy a policy if you are not confident that you will be able to afford the premiums on an on-going basis.

**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 XX.)

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 XX.) 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.) See the Personal Assessment and Long-Term Care Policy Checklist starting on page XX.

***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 that includes the company’s premium increase history. See the Long-Term Care Insurance Personal Worksheet on page XX.

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 XX.)

***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 XX.)

***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 XX**)** 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.

***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 provide credit ratings that shows the financial strength ratings of insurers, such as:

* A.M. Best Company
* Moody’s Investor Service, Inc.
* Weiss Ratings, Inc.

If your insurer is not rated by these companies, you can refer to the link from the U.S. Securities & Exchange Commission (SEC) for a current list of credit rating agencies approved by the SEC: [www.sec.gov/ocr/ocr-current-nrsros.html](http://www.sec.gov/ocr/ocr-current-nrsros.html)

You should always ask your trusted financial advisor or agent for information on the credit rating of your insurer.

**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.

**Alternate Care** -- Alternate care (or “alternative care”) means that an insurer is willing to consider a type or place of care not specifically referenced in the policy.  Most commonly, this provision is intended to allow coverage for a future type of care not available at the time the policy was issued.  Generally, the insurer is agreeing only to consider such an alternative and the contract language may require the alternate care to be less expensive.

**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.

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

**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**.

**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 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**.

**Certificate of Coverage** – A certificate you receive or may request from the plan sponsor after buying coverage in a group policy. The certificate is evidence of your coverage under the policy and describes the **benefits**, coverage, exclusions and limitations of the policy that principally affect you.

**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.

**Death Benefit** – The amount paid to a beneficiary upon the death of an insured person.

**Deductible –** A specified amount of time or dollar amount the insured must satisfy before an insurance company will pay a claim.

**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**.**

**Downgrades** – Reduction of coverage you choose if you can’t pay your premiums that could allow you to keep your policy instead of dropping it.

**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.

**Extension of Benefits Rider** –A **rider** that may increase your long*-*term care coverage beyond your policy’s **cash value** and/or **death benefit** or your annuity’s value.

**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 can’t single out your policy for an increase.***

**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 Care** - Services in the client’s home. Can include nursing care, **personal 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 Benefit/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 **benefits** because 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** **(also called Medigap insurance coverage)** - A private insurance policy that covers many of the gaps in **Medicare** 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**.

**Outline of Coverage -** A summary of the **benefits** and coverage provided in the policy and the terms under which the policy or certificate, or both, may be continued in force or discontinued, including any reservation in the policy of a right to change premium.

**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.

**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.

**Rider** – An additional form that is optional that can be attached to an original life insurance policy, long-term care policy or annuity contract on or after its date of issue that may provide additional **benefits** over and above the main policy or contract.

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

**Shortened Benefit Period Policy** – A **nonforfeiture** option that reduces the **benefit** period but retains the full daily maximums applicable until death. The period of time for which **benefits** are paid will be shorter.

**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 programs** starting on page XX)

**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 Policies (Tax-Qualified Policies or Plans)** – 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.

**Waiting Period** – See **Elimination Period**.

# The First Step — A Personal Assessment

#### Reasons for Wanting Long-Term Care Insurance

It’s important to identify your reason(s) for buying a policy. This influences many of the choices you’ll make in selecting coverage. A person with few resources, a modest income, and a goal of staying off **Medicaid**, approaches a purchase one way. A person with a larger amount of assets and income may approach it differently.

If your reason is to preserve resources for heirs, you might consider having them help pay the premium. They will benefit from your long-term care insurance purchase. If you don’t have dependents or heirs, you may consider using resources to pay for long-term care rather than buying insurance.

What are your objectives?

Protecting resources or leaving an inheritance

Not burdening others to pay **nursing home** bills

Avoid **Medicaid**

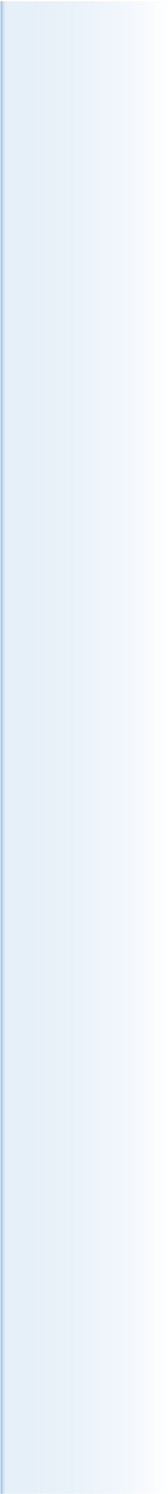
Being able to choose the type of care and the place where care is received

Having peace of mind

Being independent of others’ support

Protecting a spouse/domestic partner or dependent(s)

#### Your Health



Unlike **Medicare supplement insurance** (**Medigap**), long-term care insurance is rarely available on a guaranteed basis. You will need to show that you are not a serious health risk before the company will approve your application. Your health is typically not taken into consideration for an annuity.

**Excellent** - People can easily find coverage if health is excellent.

**Good** - (minor health problems, one insignificant chronic condition) - People have little trouble finding coverage if health is good.

**Fair -** (one or more chronic conditions requiring medical supervision and/or hospitalization in the last year) - People with fair health are sometimes accepted for coverage, but they may pay a higher premium.

**Poor**- (heart disease, pulmonary disease, cancer or other advanced disease) - People in poor health are rarely accepted and should question any attempt to sell them coverage.

**Your Age**

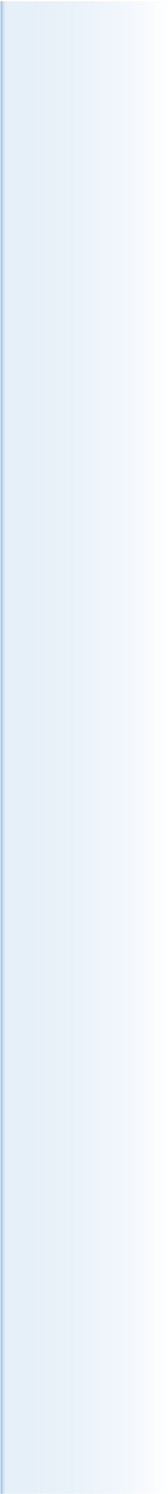
Age affects the premium you’ll pay. Also, as age increases so does the possibility of developing health conditions that will make it difficult for you to buy insurance. Most companies direct their marketing efforts accordingly.

**50 to 79** - Within this range, you’ll have many companies and policies from which to choose. Premiums will be more affordable.

**80 to 84** - A few companies market to this age range. Some companies sell only one year of coverage to those 80 and older.

**85 and older** - Few companies sell to people older than 84. Very elderly people should carefully consider the wisdom of purchasing long-term care insurance because of its cost.

#### Your Annual Income



The purchase of long-term care insurance should not cause financial hardship or prevent you from meeting your basic needs. If premiums cannot be paid from current income, long-term care insurance should not be purchased.

You need to consider your ability to pay premiums now and in the future.

Is your only income Social Security or Supplemental Security Income (SSI)? If it is, this is likely not an appropriate purchase for you.

Is the long-term care policy premium less than 7% of your income (rule of thumb for affordability)?

Could you still pay the premium if it was increased by more than 25%?

If you purchase an annuity or life insurance policy, can you afford the one-time payment or periodic payments?

#### Cash Value of Assets Excluding Your Primary Residence

**The cost of long-term care insurance is significant.** If protecting assets is your reason for buying, you should have substantial assets to protect. Your home is protected from **Medicaid** as long as a spouse/domestic partner lives there. Additional resources also can be protected for a spouse/domestic partner. Check with your state insurance department, agencies on aging, **state health insurance assistance programs** (**SHIP**), or another consumer assistance agency for more information, starting on page XX.

These suggested amounts represent individualresources. They would double for a couple.

**Less than $30,000** - Over several years you might spend as much in premium. as the value of assets being protected.

**$30,000 - $75,000** - Carefully review your resources to see if the amount you are protecting justifies the premium you’ll pay.

**$75,000 and up** - Long-term care insurance may be an appropriate way to save assets for your own security or estate.

**Long-Term Care Policy Checklist**

Use this checklist when you are shopping for a policy or to evaluate a policy you already have

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Policy A** | | | **Policy B** |
| **Types of Long-Term Care (LTC) Insurance** | | | | | |
| **1. Which type of long-term care coverage is best for you? (See page XX)** | | | | | |
| * Individual Policy | |  | | |  |
| * Employer Group Policy | |  | | |  |
| * Association Policy | |  | | |  |
| * **Partnership Policy\***   **\***Partnership policies may be available as an individual policy or from an employer or association group. | |  | | |  |
| * Life Insurance or **Rider** | |  | | |  |
| * Annuity or **Rider** | |  | | |  |
| **Company and Agent Information** | | | | | |
| **2. Is the insurance company financially strong? (see page XX)** | | | | | |
| * Company name | |  | | |  |
| * Company address | |  | | |  |
| * Company telephone number | |  | | |  |
| * Company website | |  | | |  |
| * Insurance company rating Name of rating agency | |  | | |  |
| **3. Are you working with an agent?** | | | | | |
| * Agent’s name | |  | | |  |
| * Agent’s address | |  | | |  |
| * Agent’s telephone number | |  | | |  |
| * Agent’s email address | |  | | |  |
|  | **Policy A** | | | **Policy B** | | | |
| **4. What types of services and care are covered? (See pages XX)** | | | | | | | |
| * **Nursing home** care | | | | | | | |
|  |  | |  |  | | | No |
|  |  | |  |  | | | No |
|  |  | |  |  | | | No |
| * **Assisted living** | Yes | | No | Yes No | | | No |
| * Home and **Community-based services** | | | | | | | |
| Home skilledservices | Yes | | No | Yes No | | | No |
| Home personalservices | Yes | | No | Yes No | | | No |
| **Respite care** | Yes | | No | Yes No | | | No |
| **Adult day care** | Yes | | No | Yes No | | | No |
| **Homemaker**/chore services | Yes | | No | Yes No | | | No |
| **Hospice care** | Yes | | No | Yes No | | | No |
| Family care | Yes | | No | Yes No | | | No |
| Informal Care | Yes | | No | Yes No | | | No |
| Alternate care | Yes | | No | Yes No | | | No |
| List other benefits |  | | |  | | | |
| **5. Are Benefits Determined on Daily or Monthly Basis?** |  | | |  | | | |
| **6. How much does the policy pay per day?** | | | | | | | |
| * **Nursing Home** | $ per day | | | $ per day | | | |
| Same amount for all levels | Yes | | No | Yes No | | | No |
| * **Assisted living** | $ per day | | | $ per day | | | |
| * Home and **community-based services** Daily Monthly Daily Monthly | | | | | | | |
| Home skilled services | $ | | | $ | | | |
| Home personal services | $ | | | $ | | | |
| **Respite care** | $ | | | $ | | | |
| **Adult day care** | $ | | | $ | | | |
| **Homemaker**/chore services | $ | | | $ | | | |
| **Hospice care** | $ | | | $ | | | |
| Alternate care | $ | | | $ | | | |
| Family care | Yes No | | | Yes No | | | |
| Informal care | Yes No | | | Yes No | | | |
| Other benefits | $ | | | $ | | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Policy A** | **Policy B** | | |
| **7. Are benefits adjusted for inflation? (See pages XX)** | | | | |
| Does policy have inflation adjustment | Yes No | Yes No | | |
| * Automatic annual increase option |  |  | | |
| Annual percent increase | % | % | | |
| Type of increase | Simple Compound | Simple Compound | | |
| Additional premium | $ | $ | | |
| * Regular offer to buy more: |  |  | | |
| Frequency of offer | Annual or every yrs |  | | |
| Annual or every yrs | |  |
|  | | |
| Amount of increase offered |  |  | | |
| Times offer can be declined |  |  | | |
| Age for premium calculation | Current age issue age | Current age issue age | | |
| * With the inflation benefit, what **daily benefit** would you receive for | | | | |
| **Nursing Home** care at age 75 | $ | $ | | |
| at age 80 | $ | $ | | |
| at age 85 | $ | $ | | |
| **Home care** at age 75 | $ | $ | | |
| at age 80 | $ | $ | | |
| at age 85 | $ | $ | | |
| Do increases end after a certain period of years or a certain age? | Yes No | Yes No | | |
| If increases do end, when? | Age/Year N/A | Age/Year N/A | | |
| Does the policy maximum increase over time? | Yes No | Yes No | | |
| **8. How long do benefits last?** | | | | |
| * Policy maximum | Yrs. or $ | Yrs. or $ | | |
| Is there a pool for all **benefits**? | Yes No | Yes No | | |
| Can **benefits** shared with spouse/domestic partner? | Yes No | Yes No | | |
| * Annual or policy maximums for individual benefits (days or $) | | | | |
| **Nursing home** |  |  | | |
| **Assisted Living** |  |  | | |
| **Home care** |  | |  | |
| **Respite care** |  | |  | |
| **Adult day care** |  | |  | |
| **Homemaker**/chore services |  | |  | |
| **Hospice care** |  | |  | |
| Family care |  | |  | |
| Informal care |  | |  | |
| Alternate care |  | |  | |
| Other benefits |  | |  | |
|  |  | |  | |
|  |  | |  | |
|  |  | |  | |
| **How Do You Qualify for Benefits?** | | | | |
| **9. What level of need is required?** | | | | |
|  |  | |  | |
|  |  | |  | |
| * Functional incapacity — need help with **ADLs** | Yes No Yes No How many? How many? | | | |
| * **Cognitive impairment** | Yes No | | Yes No | |
| Medical necessity due to illness or injury | Yes No | | Yes No | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Policy A** | | **Policy B** | |
| **10. What is a qualified place?** | | | | |
| List the types of facilities that are NOT covered by the policy. |  | |  | |
| **11. Who is a qualified person to give care?** | | | | |
| * Can a family member be paid? |  | |  | |
| * Who is a qualified family member? |  | |  | |
| * Does the policy pay for training? |  | |  | |
| **12. How long is the elimination period or deductible before benefits begin?**  **(see page XX)** | | | | |
| * **Nursing home** care |  | |  | |
| * **Assisted living** |  | |  | |
| * **Home care** |  | |  | |
| * **Respite care** |  | |  | |
| * **Adult day care** |  | |  | |
| * **Homemaker**/chore services |  | |  | |
| * **Hospice care** |  | |  | |
| * Alternate care |  | |  | |
| * Other benefits |  | |  | |
| How is it satisfied? |  | |  | |
| Required only once | Yes | No | Yes | No |
| New one for repeat stay | Yes | No | Yes | No |
| Days for different services added together | Yes | No | Yes | No |
| **13. Does the policy provide care management/care coordination?** | Yes | No | Yes | No |
| Could the insurer pay benefits based on a plan of care that neither you nor your doctor approved? | Yes | No | Yes | No |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Other Policy Features** | | | | |
|  | **Policy A** | | **Policy B** | |
| **14. Does the policy have a waiver of premium?** | Yes | No | Yes | No |
| If your premium is prepaid but then you require use of your coverage, will you get back some of your premium? | Yes No | | Yes No | |
| Does the waiver of premium apply to home care? | Yes | No | Yes | No |
| **15. Does the policy have a nonforfeiture benefit?** | Yes | No | Yes | No |
| * Selected option |  | |  | |
| How long before it’s in effect? |  | |  | |
| How does the **benefit** work? |  | |  | |
| Premium for this **benefit**? | $ | | $ | |
|  |  |  |  |  |
| **16. If this is a group policy, what conversion options are offered? (see page XX)** |  | |  | |
| **17. Is the policy federally tax- qualified? (see page XX)** |  | |  | |

|  |  |  |
| --- | --- | --- |
| **Annual Cost** | | |
|  | **Policy A** | **Policy B** |
| **18. What does the policy cost per year?** |  |  |
| * Basic Policy | $ | $ |
| * **Rider** # | $ | $ |
| * **Rider** # | $ | $ |
| * **Rider** # | $ | $ |
| * **Rider** # | $ | $ |
| * Policy or group membership fee | $ | $ |
| * Less any spouse/domestic partner discount | less $ | less $ |
| * Less any other discount | less $ | less $ |
| **Total Costs per year:** | **$** | **$** |
| Do you lose the spouse/domestic partner discount if one spouse/domestic partner dies? | Yes No | Yes No |
| |  | | --- | | If Buying A Stand-Alone LTC Policy, You Don’t Need to Complete This Section | | | |
| **Other Approaches to Long-Term Care Insurance** | | |
| **Life Insurance and Annuities (see page XX)** | | |
| Is this product a good purchase for you at this time? |  |  |
| Can I add long-term care **benefits** to an existing policy? |  |  |
|  |  |  |
| Does a loan against the policy affect the long-term care **benefits** available? |  |  |
| How does the policy pay long-term care **benefits**? |  |  |
| Who is covered by the policy long-term care **benefits**? |  |  |
| Are benefits payable for long-term care available immediately or is there an **elimination period**? |  |  |
| How is your premium calculated? |  |  |

***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 be 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 fill out part of the information on this worksheet and ask you to fill out the rest to help you and the company decide if you should buy this policy.

**Premium Information**

Policy Form Numbers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The premium for the coverage you’re considering will be [$\_\_\_\_\_\_\_\_\_ per month, or $\_\_\_\_\_\_\_ per year] [a one-time single premium of $\_\_\_\_\_\_\_\_\_\_\_\_].

**Type of Policy** (non-cancelable/**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 form in the future, if 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 or similar policy forms in this state or any other state in the last 10 years.] [The company has raised its premium rates on this policy form or similar policy forms in the last 10 years. Following is a summary of the rate increases.]

**Drafting Note:** A 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 issuer shall list each premium increase it has instituted on this or similar policy forms 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

[Have you considered whether you could afford to keep this policy if the premiums went up,

for example, by 20%?]

**Drafting Note:** The issuer is not required to use the bracketed sentence if the policy is

fully paid up or is a noncancelable policy.

What is your annual income? (circle one) ⁭Under $[30,000] ⁭ $[30-50,000] Over $[50,000]

**Drafting Note:** The issuer may choose the numbers to put in the brackets to fit its

suitability standards.

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

⁭No change ⁭ Increase ⁭Decrease

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

Will you buy **inflation protection?** (circle one) ⁭Yes ⁭No

If not, how do you plan to pay for the difference between future costs and your **daily benefit** amount?

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

The national average annual cost of care in [insert year] was [insert $ amount], but this figure varies across the country. In 10 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.

What **elimination period** are you considering? Number of days \_\_\_\_\_\_\_Approximate cost $\_\_\_\_\_\_\_\_\_\_ for that period of care.

How do you plan to pay for your care during the **elimination period?** (circle one)

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

**Questions Related to Your Savings and Investments**

Not counting your home, about how much are all of your assets (your savings and investments)

worth? (circle one)

⁭Under $70,000 ⁭$70,000-$100,000 ⁭⁭$100,000-$250,000 Over $250,000

How do you expect your assets to change over the next 10 years? (circle one)

⁭Stay about the same ⁭Increase ⁭Decrease

*If you’re buying this policy to protect your assets and your assets are less than $70,000, you may want to consider other options 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 acknowledge that the carrier and/or its agent (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).

Signed: (Applicant)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Date) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[ I explained to the applicant the importance of completing this information.

Signed: (Agent) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Date) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

[ In order for us to process your application, please return this signed statement to [name of

company], along with your application. ]

[ My agent has advised me that this policy does not 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.

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

**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 Insurance  201 Monroe Street, Suite 502  Montgomery, AL 36104  (334) 269-3550  Fax: (334) 241-4192  [www.aldoi.org](http://www.aldoi.org) | Alabama State Health Insurance Assistance Program  1-800-243-5463 | Department of Senior Services  770 Washington Ave. RSA Plaza Suite 570  Montgomery, AL 36130  1-800-243-5463  (334) 242-5743  Fax: (334) 242-5594 |
| Alaska Division of Insurance  9th Floor State Office Bldg.  333 Willoughby Ave. 99801  P.O. Box 110805  Juneau, Alaska 99811-0805  (907) 465-2515  Fax: (907) 465-3422  TDD: (907) 465-5437  [www.commerce.state.ak.us/insurance](file:///C:\Documents%20and%20Settings\JCook\Local%20Settings\Temporary%20Internet%20Files\JCook\Local%20Settings\Temporary%20Internet%20Files\Local%20Settings\Temporary%20Internet%20Files\OLK170\www.commerce.state.ak.us\insurance) | Alaska State Health  Insurance Assistance  Program  1-800-478-6065 In State Only  (907) 269-3680  Fax: (907) 269-2045  TYY: (800) 770-8973 | Alaska Commission on Aging  150 Third Street  P.O. Box 110693  Juneau, AK 99811-0693  (907) 465-4879 or (907) 465-3250  Fax: (907) 465-1398 |
| American Somoa  A.P. Lutali Executive Office Building  Pago Pago, American Samoa 96799  011(684)-633-4116  Fax: 011-684-633-2269 | AMERICAN SAMOA | Territorial Administration on Aging  American Samoa Government  Pago Pago, American Samoa 96799  011 (684) 633-1251  Fax: 1 (684) 633-2533 |
| Arizona Department of Insurance  2910 North 44th Street, Suite 210  Phoenix, AZ 85018-7269  (602) 364-3100  Fax: (602) 364-3470  [www.id.state.az.us](http://www.id.state.az.us) | Arizona State Health Insurance Assistance Program  1-800-432-4040  Fax: (602) 542-6575 | Arizona Department of Economic Security  Division of Aging and Adult Services  1789 W. Jefferson, No. 950A  Phoenix, AZ 85007  (602) 542-4446  Fax: (602) 277-4984 |
| Arkansas Department of Insurance  1200 West 3rd Street  Little Rock, AR 72201-1904  (501) 371-2600  1-800-852-5494  Fax: (501) 371-2818  www.insurance.arkansas.gov | Arkansas Senior Health Insurance Information Program  1-800-282-9134 or  (501) 371-2600  Fax: (501) 371-2618 | Division of Aging & Adult Services  Arkansas Dept. of Human Services  700 Main Street  P.O. Box 1437, S530  Little Rock, AR 72203-1437  (501) 682-2441  Fax: (501) 682-8155 |
| California Department of Insurance  Office of the Ombudsman  300 Capitol Mall, Suite 1700  Sacramento, CA 95814  (916) 492-3500  www.insurance.ca.gov | California Health Insurance Counseling & Advocacy Program  1-800-434-0222  (916) 419-7500  Fax: (916) 928-2506  TDD: 1-800-735-2929 | California Department of Aging  1300 National Drive, Suite 200  Sacramento, CA 95834  (916) 419-7500  Fax: (916) 928-2267  TDD: 1-800-735-2929 |
| Colorado Division of Insurance  1560 Broadway, Suite 850  Denver, CO 80202  (303) 894-7499  1-800-930-3745  Fax: (303) 894-7455  http://www.dora.state.co.us/insurance/ | Colorado Senior Health Insurance Assistance Program  1-888-696-7213  (303) 894-7552  Fax: (303) 869-0151  TYY: (303) 894-7455 | Colorado Division of Aging and Adult Services  1575 Sherman Street, 10th Floor  Denver, CO 80203  (303) 866-2800  Fax: (303) 866-2696 |
| Commonwealth of the Northern Mariana Islands Department of Commerce  Caller Box 10007  Saipan, MP 96950  011 (670) 644-3000  Fax: 011 (670) 664-3067  http://commerce.gov.mp/divisions/insurance | COMMOMWEALTH  OF THE NORTHERN MARIANA ISLANDS | Mariana Islands  CNMI Office on Aging  Commonweath of the Northern  Marina Islands  P.O. Box 502178  Saipan, MP 96950-2178  011 (671) 734-4361  Fax: 011 (670) 233-1327 |
| Connecticut Department of Insurance  P.O. Box 816  Hartford, CT 06142-0816  (860) 297-3800 or 800-203-3447  Fax: 860-566-7410  www.ct.gov/cid | Connecticut Program for Health Insurance Assistance, Outreach, Information & Referral Counseling and Eligibility Screening  1-800-994-9422 or (860) 424-5023  TDD (860) 842-4524  Fax: (860) 424-5301 | Connecticut Aging Services Div.  Department of Social Services  25 Sigourney St., 10th Street  Hartford, CT 06106  (860) 424-5274 or 866-218-6631  Fax: (860) 424-5301 |
| Delaware Department of Insurance  Rodney Building  841 Silver Lake Boulevard  Dover, DE 19904  (302) 674-7300  Fax: 302-739-5280  www.delawareinsurance.gov | Delaware ELDERinfo  1-800-336-9500  (302) 674-7364  Fax: (302) 739-6278 | Division of Services for Aging & Adults with Physical Disabilities  Dept. of Health & Social Services  1901 North DuPont Highway  New Castle, DE 19720  1-800-223-9074  Fax: (302) 255-4445  TDD: 302-391-3505 |
| Department of Insurance, Securities and Banking  Gov’t of the District of Columbia  810 First Street, N.E. Suite 701  Washington, DC 20002  (202) 727-8000  Fax: (202) 535-1196  http://disb.dc.gov | Health Insurance Counseling Project  (202) 739-0668  Fax: (202) 293-4043  TDD: (202) 973-1079 | District of Columbia Office on Aging  One Judiciary Square  441 4th St., N.W., 9th Floor  Washington, DC 20001  (202) 724-5622 or (202) 724-5626  Fax: (202) 727-4979  TTY: (202) 724-8925 |
|  | FEDERATED STATES OF MICRONESIA | State Agency on Aging  Office of Health Services  Federated States of Micronesia  Ponape, E.C.I. 96941 |
| Florida Office of Insurance Regulation’s Long Range Program Plan  200 East Gaines Street  Tallahassee, FL 32399-0300  (850) 413-3140  Fax: 850-488-334  www.floir.com | SHINE (Serving Health Insurance Needs of Elders)  1-800-963-5337  (850) 414-2000  Fax: (850) 414-2150  TDD: 1-800-955-8771 | Florida Department of Elder Affairs  4040 Esplanade Way  Tallahassee, FL 32399  (850) 963-5337  Fax: (850) 414-2150  TTY:800-955-8770 |
| Georgia Department of Insurance  2 Martin Luther King Jr. Drive  Floyd Memorial Bldg., 704 West Tower  Atlanta, GA 30334  (404) 656-2101  1-800-656-2298  Fax: (404) 657-8542  www.oci.ga.gov | GeorgiaCares  1-866-552-4464  (404) 657-5258  Fax: (404) 657-5285  TDD: (404) 657-1929 | Georgia Division for Aging Services  2 Peachtree St. N.W., Suite 9-385  Atlanta, GA 30303  (404) 657-5258  (866) 552-4464  Fax: (404) 657-5285 |
| Guam Dept. of Revenue and Taxation  Banking Insurance Commissioner  P.O. Box 23607  GMF Barrigada, Guam 96921  **(**1240 Army Drive, Barrigada, Guam, 96913)  (671) 635-1817  Fax: (671) 633-2643  www.guamtax.com | Guam Medicare Assistance Program  (671) 735-7388  Fax: (671) 735-7416  TDD: (671) 735-7415 | Regulatory Programs Administrator  Dept. of Revenue and Taxation  P.O. Box 23607 GMF, Barrigada  Guam 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](mailto:jqcarlos@revtax.gov.gu)  (671) 635-1835  Fax: (671) 633-2643 |
| Hawaii Insurance Division  P.O. Box 3614  335 Merchant Street, Room 213  Honolulu, HI 96811 (808) 586-2790 or (808) 586-2790  Fax: (808) 586-2806  www.hawaii.gov/dcca/ins | Sage PLUS Program  1-888-875-9229  Fax: (808) 586-0185  TDD: (866) 810-4379 | Hawaii Executive Office on Aging  No. 1 Capitol District  250 South Hotel St., Suite 406  Honolulu, HI 96813-2831  (808) 586-0100  Fax: (808) 586-0185 |
| Idaho Department of Insurance  700 West State Street  P.O. Box 83720  Boise, ID 83720-0043  (208) 334-4250  Fax: (208) 334-4398  www.doi.idaho.gov | Senior Health Insurance Benefits Advisors  1-800-247-4422  (208) 334-4350  Fax: (208) 334-4389 | Idaho Commission on Aging  341 W. Washington, 3rd floor  P.O. Box 83720  Boise, ID 83720-0007  (208) 334-3833  Fax: 800-926-2588 |
| Illinois Division of Insurance  320 West Washington St.  Springfield, IL 62767-0001  (217) 782-4515  Fax: (217) 782-5020  TDD: (217) 524-4872  www.insurance.illinois.gov | Senior Health Insurance Program  1-800-548-9034  (217) 782-0004  Fax: (217) 557-8457  TDD: (217) 524-4872 | Illinois Department on Aging  One Natural Resources Way, Suite 100  Springfield, IL 62701 -1271  (217) 785-3356  Fax: (217) 785-4477 |
| Indiana Department of Insurance  311 W. Washington Street, Suite 300  Indianapolis, IN 46204  (317) 232-2385  Fax: (317) 232-5251  www.in.gov/idoi | State Health Insurance Assistance Program  1-800-452-4800  (765) 608-2318  Fax: (765) 608-2322  TDD: (866) 846-0139 | Family and Social Services Administration  Division of Aging  402 W. Washington St.  P.O. Box 7083  Indianapolis, IN 46207-7083  1-888-673-0002  Fax: (317) 232-7867 or (317) 233-2182 |
| Iowa Division of Insurance  601 Locust Street  Des Moines, IA 50309  (515) 281-5705  877-955-1212  Fax: (515) 281-3059  www.iid.state.ia.us | Senior Health Insurance Information Program  1-800-351-4664  In State Only  (515) 281-5705  Fax: (515) 281-3059  TTD 1-800-735-2942 | Iowa Department on Aging  Jessie M. Parker Building  510 East 12th St., Suite 2  Des Moines, IA 50309-9025  (515) 725-3333  1-800-532-3213  TTY: (515) 725-3333 |
| Kansas Department of Insurance  420 S.W., 9th Street  Topeka, KS 66612-1678  (785) 296-3071  Fax: (785) 296-7805  www.ksinsurance.org | Senior Health Insurance Counseling for Kansas  1-800-860-5260  (316) 337-7386  Fax: (785) 296-0256 | Kansas Department on Aging  New England Building  503 South Kansas Avenue  Topeka, KS 66603-3404  (785) 296-4986  1-800-860-5260  Fax: (785) 296-0256  TTY: (785) 291-3167 |
| Kentucky Department of Insurance  P.O. Box 517  215 West Main Street  Frankfort, KY 40601  (502) 564-3630  Fax: (502) 564-6090  [http://insurance.ky.gov](http://doi.ppr.ky.gov/kentucky/) | State Health Insurance Assistance Program  1-877-293-7447  (502) 564-6930  Fax: (502) 564-4595  TDD: 1-888-642-1137 | Kentucky Office of Aging Services  Cabinet for Health Services  275 East Main Street, 3E-E  Frankfort, KY 40621  (502) 564-6930  Fax: (502) 564-4595 |
| Louisiana Department of Insurance  P.O. Box 94214  Baton Rouge, LA 70804  (225) 342-5900  800-259-5300  Fax: (225) 342-5711  www.ldi.la.gov | Senior Health Insurance Information Program  Both In State Only  1-800-259-5300  (225) 342-5301  Fax: (225) 342-5711 | Governor’s Office of Elderly Affairs  P.O. Box 61  Baton Rouge, LA 70821  (225) 342-7100  Fax: (225) 342-7133 |
| Maine Bureau of Insurance  Dept. of Professional & Financial Reg.  #34 State House Station  Augusta, ME 04333-0034  (207) 624-8475  800-300-5000  Fax: (207) 624-8599  http://www.maine.gov | Maine State Health Insurance Assistance Program  In State Only  1-877-353-3771  Fax: (207) 287-9229  TDD: 1-800-606-0215 | Maine Bureau of Elder & Adult Services  11 State House Station  32 Blossom Lane  Augusta, Maine 04333  (207) 287-9200  Fax: (207) 287-9229 |
| Maryland Insurance Administration  200 St. Paul Place, Suite 2700  Baltimore, MD 21202  (410) 468-2000  Fax: (410) 468-2020  www.mdinsurance.state.md.us | Senior Health Insurance Assistance Program  Both in State Only  1-800-243-3425  (410) 767-1100  Fax: (410) 333-7943  TDD: 1-800-637-4113 | Maryland Department of Aging  State Office Building, Room 1007  301 West Preston Street  Baltimore, MD 21201  (410) 767-1100  Fax: (410) 333-7943 |
| Division of Insurance  Commonwealth of Massachusetts  1000 Washington St., Suite 810  Boston, MA 02118-6200  (617) 521-7794 or (617) 521-7794  Fax: (617) 753-6830  www.mass.gov/doi | Serving Health Information Needs of Elders  1-800-AGE-INFO  (617) 727-7750  Fax: (617) 727-9368 | Massachusetts Executive Office of  Elder Affairs  One Ashburton Place, 5th floor  Boston, MA 02108  (617) 727-7750 or  800-243-4636  Fax: (617) 727-9368 |
| Office of Financial and Insurance Services  State of Michigan  P.O. Box 30220  Lansing, MI  48909-7720  (517) 373-0220  877-999-6442  Fax: (517) 335-4978  [www.michigan.gov/ofir](http://www.michigan.gov/ofir) | MMAP, Inc.  1-800-803-7174  (517) 886-0899  Fax: (517) 886-1305 | Michigan Offices of Services to the Aging  P.O. Box 30676  Lansing, MI 48909  (517) 373-8230  Fax: (517) 373-4092 |
| Minnesota Dept. of Commerce  85 7th Place East, Suite 500  St. Paul, MN 55101-2198  (651) 296-6025  Fax: (651) 297-1959  [www.state.mn.us](http://www.state.mn.us) | Minnesota State Health Insurance Assistance Program/Senior LinkAge Line  1-800-333-2433  Fax: (651) 431-7415 | Minnesota Board on Aging  Aging and Adult Services Division P.O. Box 64976 St. Paul, MN 55164-0976  (651) 431-2500  Fax: (651) 431-7453 |
| Mississippi Insurance Department  1001 Woolfolk State Office Building  501 N. West St.  P.O. Box 79  Jackson, MS 39205-0079  (601) 359-3569  Fax: (601) 359-1077  www.mid.state.ms.us | MS State Health Insurance Assistance Program  In State Only  1-800-948-3090  (601) 359-4956  Fax: (601) 359-9664 | Mississippi Council on Aging  Division of Aging & Adult Services  750 N. State Street  Jackson, MS 39202  (601) 359-4929  800-948-3090 |
| Missouri Department of Insurance  301 West High Street, Suite 530  Jefferson City, MO 65101  (573) 751-4126  1-800-726-7390  Fax: (573) 526-6075  www.insurance.mo.gov | Missouri CLAIM  (573) 817-8320  In State Only  1-800-390-3330  Fax: (573) 817-8341 | Missouri Department of Health and Senior Services  912 Wildwood  P.O. Box 570  Jefferson City, MO 65102  (573) 751-6400  Fax: (573) 751-6010 |
| Montana Department of Insurance  840 Helena Avenue  Helena, MT 59601  (406) 444-2040  Fax: (406) 444-3497  www.csi.mt.gov | Montana State Health Insurance Assistance Program  1-800-551-3191  Fax: (406) 444-7743  TDD: (406) 444-2590 | Montana Office on Aging  Senior Long Term Care Division  Department of Public Health and  Human Services  P.O. Box 4210  Helena, MT 59604  1-800-332-2272  Fax: (406) 444-7743 |
| Nebraska Department of Insurance  P.O. Box 82089  Terminal Building, Suite 400  941 'O' Street  Lincoln, NE 68508  (402) 471-2201  877-564-7323  Fax: (402) 471-4610  www.doi.ne.gov | Nebraska Senior Health Insurance Information Program  (402) 471-2201  In State Only  1-800-234-7119  Fax: (402) 471-6559  TDD: 1-800-833-7352 | Nebraska Division of Aging and Disability Services  P.O. Box 95026  301 Centennial Mall-South  Lincoln, NE 68508  (402) 471-4624  Fax: (402) 471-4619 |
| Nevada Division of Insurance  1818 E. College Pkwy., Suite 103  Carson City, NV 89706  (775) 687-0700  888-872-3234  Fax: (775) 687-0787  www.doi.nv.gov | Nevada State Health Insurance Assistance Program  1-800-307-4444  (702) 486-3478  Fax: (702) 486-0865 | Nevada Division For Aging Services  Department of Human Resources  3416 Goni Road, Building, D-132  Carson City, NV 89706  (775) 687-4210  Fax: (775) 687-0574 |
| New Hampshire Insurance Department  21 South Fruit Street, Suite 14  Concord, NH 03301  (603) 271-2261  800-852-3416  Fax: (603) 271-1406  www.nh.gov/insurance | New Hampshire SHIP-ServiceLink Resource Center  (866)-634-9412  (603) 271-4394  Fax: (603) 271-4643  TDD: 1-800-735-2964 | New Hampshire Division of Elderly & Adult Services  State Office Park South  Brown Building  129 Pleasant St.  Concord, NH 03301-3857  (603) 271-4375  Fax: (603) 271-5574 |
| New Jersey Department of Insurance  20 West State Street  P.O. Box 325  Trenton, NJ 08625  (609) 292-7272  1-800-446-7467  Fax: (609) 984-5273  [www.state.nj.us/dobi](http://www.state.nj.us/dobi) | New Jersey State Health Insurance Assistance Program  1-800-792-8820  (609) 292-1447  Fax: (609) 943-4669 | New Jersey Division of Aging and Community Services  Department of Health & Senior Services  P.O. Box 812  Trenton, NJ 08625-0812  (609) 943-3437  800-792-8820 |
| New Mexico Public Regulation Commission  P.O. Box 1269  Santa Fe, NM 87504-1269  (888) 427-5772  [www.nmprc.state.nm/id.htm](file:///C:\Documents%20and%20Settings\JCook\Local%20Settings\Temporary%20Internet%20Files\JCook\Local%20Settings\Temporary%20Internet%20Files\Local%20Settings\Temporary%20Internet%20Files\OLK170\www.nmprc.state.nm\id.htm) | New Mexico ARDC/SHIP  (505) 476-4781  In State Only  1-800-432-2080  Fax: (505) 476-4710 | New Mexico Aging & LTC Services Department  2550 Cerrillos Road  Santa Fe, NM 87505  (505) 476-4799 |
| New York State Insurance Department  One State Street  New York, NY 10004  (212) 480-6400  Fax: (212) 709-3520  www.ins.state.ny.us | New York Health Insurance Information Counseling and Assistance Program (HIICAP)  1-800-701-0501  (518) 474-7012  Fax: (518) 486-2225 | New York Office for the Aging  Two Empire State Plaza  Albany, NY 12223-1251  1-800-342-9871 |
| North Carolina Dept. of Insurance  1201 Mail Service Center  Raleigh, NC 27699-1201  (919) 807-6750  Fax: (919) 733-6495  www.ncdoi.com | North Carolina Seniors’ Health Insurance Information Program  1-800-443-9354  (919) 807-6900  Fax: (919) 807-6901  TDD: (800) 735-2962 | North Carolina Division of Aging  2101 Mail Service Center  Raleigh, NC 27699  (919) 855-3400  Fax: (919) 733-0443 |
| North Dakota Dept. of Insurance  600 E. Boulevard, 5th Floor  Bismarck, ND 58505-0320  (701) 328-2440  Fax: (701) 328-4880  www.nd.gov/ndins | North Dakota State Health Insurance Counseling  (888) 575-6611  (701) 328-2440  TDD: 1-800-366-6888  Fax: (701) 328-9610 | North Dakota Aging Services Division  Department of Human Services  1237 West Divide Ave., Suite 6  Bismarck, ND 58501-0208  (701) 328-4601  Fax: (701) 328-8744 |
| Ohio Department of Insurance  50 W. Town Street, 3rd Floor, Suite 300  Columbus, OH 43215  (614) 644-2658  1-800-686-1526  Fax: (614) 644-3744  www.insurance.ohio.gov | Ohio Senior Health Insurance Information Program  1-800-686-1578  (614) 644-3458  TDD (614) 644-3745  Fax: (614) 752-0740 | Ohio Department of Aging  50 West Broad Street, 3rd Fl.  Columbus, OH 43215-3363  (614) 644-3458  866-266-4346  Fax: (614) 752-0740 |
| Oklahoma Department of Insurance  Five Corporate Plaza  3625 N.W. 56th, Suite 100  Oklahoma City, OK 73112-4511  (405) 521-2828  1-800-522-0071  Fax: (405) 521-6635  www.ok.gov/oid | Oklahoma Senior Health Insurance Counseling Program  (405) 521-6628  In State Only  1-800-763-2828  Fax: (405) 522-4492 | Oklahoma Dept. of Human Services  Aging Services Division  P.O. Box 25352  2401 N.W. 23rd St., St. 40  Oklahoma City, OK 73107  (405) 521-2281  Fax: (405) 521-2086 |
| Oregon Insurance Division  P.O. Box 14480  Salem, OR 97310-0405  350 Winter Street NE  Salem, OR 97301-3838  (503) 947-7980  Fax: (503) 378-4351  www.insurance.oregon.gov | Oregon Senior Health Insurance Benefits Assistance  (503) 947-7979  In State Only  1-800-722-4134  Fax: (503) 947-7092  TDD: 1-800-735-2900 | Oregon Senior & Disabled  Services Division  500 Summer St., N.E., E12  Salem, OR 97310-1073  (503) 945-5811  TTY:503-282-8096  Fax: 503-373-7823 |
|  | PALAU | State Agency on Aging  Department of Social Services  Republic of Palau  Koror, Palau 96940 |
| Pennsylvania Insurance Dept.  1326 Strawberry Square  Harrisburg, PA 17120  (717) 783-0442  Fax: (717) 772-1969  www.ins.state.pa.us | Pennsylvania APPRISE  1-800-783-7067  (717) 783-1550  Fax: (717) 772-3382 | Pennsylvania Department of Aging  555 Walnut Street, 5th Floor  Harrisburg, PA 17101-1919  (717) 783-1550  Fax: (717) 783-6842 |
| Puerto Rico Dept. of Insurance  B5 Calle Tabonuco Suite 216  PMB 356  Guaynabo, PR 00968-3029  (787) 304-8686  Fax: (787) 237-6082  www.ocs.gobierno.pr | Puerto Rico State Health  Insurance Assistance Program  1-877-725-4300  (787) 721-6121  Fax: (787) 724-1152 | Governors Office For Elderly Affairs  P.O. Box 191179  San Juan, PR 00919-1179  (787) 721-6121  Fax: (787) 721-6510 |
|  | REPUBLIC OF THE MARSHALL ISLANDS | State Agency on Aging  Department of Social Services  Republic of the Marshall Islands  Marjuro, Marshall Islands 96960 |
| Rhode Island Dept. of Business Regulation  Insurance Division  (401) 462-9520 | Rhode Island State Health Insurance Program  (401) 462-0501  (401) 462-0530  Fax: (401) 462-0503  TDD: (401) 462-0740 | Department of Elderly Affairs  74 West Rd.  Hazard Bldg., 2nd Floor  Cranston, RI 02920  (401) 462-3000  Fax: (401) 462-0740 |
| South Carolina Dept. of Insurance  Capitol Center  P.O. Box 100105  Columbia, SC 29202  1201 Maine Street, Suite 1000  Columbia, SC 29201  (803) 737-6160  Fax: 803-737-6205  www.doi.sc.gov | South Carolina (I-CARE)  Insurance Counseling Assistance and Referrals for Elders  1-800-868-9095  (803) 734-9900  Fax: (803) 734-9887 | Dept. of Health and Human Services  Bureau of Senior Services  P.O. Box 8206  1801 Main Street  Columbia, SC 29202-8206  (803) 898-2850  Fax: (803) 898-4515 |
| South Dakota Division of Insurance  Dept. of Commerce and Regulation  445 East Capitol Avenue  Pierre, SD 57501-3185  (605) 773-3563  Fax: 605-773-5369  www.dlr.sd.gov/insurance | South Dakota Senior Health Information & Insurance Education  1-877-331-4834  (605) 224-3212  Fax: (605) 773-4085 | Aging and Disability Resource Connections  Department of Social Services  700 Governors Drive  Pierre, SD 57501  (605) 773-3656  866-854-5465  Fax: (605) 773-4085 |
| Tennessee Dept. of Commerce & Ins.  Davy Crockett Tower  500 James Robertson Parkway  Nashville, TN 37243-0565  (615) 741-2241  www.state.tn.us | Tennessee SHIP  1-877-801-0044  (615) 741-2056  TDD (615) 532-3893  Fax: (731) 741-3309 | Tennessee Commission on Aging and Disability  Andrew Jackson Building  500 Deaderick Street, No. 825  Nashville, TN 37243-0860  (615) 741-2056 |
| Texas Department of Insurance  333 Guadalupe Street  Austin, TX 78701  1-800 252-3439 Consumer Help Line  (512) 463-6169  www.tdi.state.tx.us | Texas Health Information Counseling and Advocacy Program (HICAP)  1-800-252-9240  (512) 438-4205  TDD: 1-800-735-2989  Fax: (512) 438-4374 | Texas Department of Aging &  Disability Services  P.O. Box 149030  Austin, TX 78714-9030  1-800-458-9858  (512) 438-3011 |
| Utah Department of Insurance  3110 State Office Building  Salt Lake City, UT 84114-1201  (801) 538-3800  800-439-3805  Fax: 801-538-3829  www.insurance.utah.gov | Utah Senior Health Insurance Information Program  1-800-541-7735  (801) 538-3910  Fax: (801) 538-4395 | Utah Division of Aging & Adult Services  Department of Human Services  195 North 1950 West  Salt Lake City, UT 84116  (801) 538-3910  Fax: (801) 538-4395 |
| Vermont Division of Insurance  Dept. of Banking, Ins. & Securities  89 Main Street  Montpelier, VT 05620-3101  (802) 828-3301  800-964-1784  www.dfr.vermont.gov/insurance | Vermont State Health Insurance Assistance Program  1-800-642-5119  (802)-748-5182  Fax: (802) 748-6622 | Vermont Department of Aging and Disabilities  103 South Main Street  Waterbury, VT 05671-1601  (802) 871-3065  Fax: 802-871-3052  TTY: 802-241-3557 |
| Office of the Lieutenant Governor  5049 Kongens Gade  St. Thomas, Virgin Islands 00802  (340) 774-7166  Fax: (340) 774-9458 or  Ltg.gov.vi | Virgin Islands State Health Insurance Assistance Program  (340) 714-4354  Fax: (340) 772-2636 | Senior Citizen Affairs  Department of Human Services  3011 Golden Rock Christiansted  St. Croix, VI 00820  (340) 773-2323  Fax: (340) 772-9849 |
| State Corporation Commission  Bureau of Insurance  Commonwealth of Virginia  P.O. Box 1157  Richmond, VA 23218  (804) 371-9741  800-552-7945  Fax: 804-371-9944  www.scc.virginia.gov/boi/index.aspx | Virginia Insurance Counseling and Assistance (VICAP)  1-800-552-3402  (804) 662-9333  Fax: (804) 662-9354  TDD: 1-800-552-3402 | Virginia Department For The Aging  1610 Forest Avenue  Preston Building, Suite 100  Richmond, VA 23229  (804) 662-9333  Fax: (804) 662-9354 |
| Washington Office of the Insurance Commissioner  302 Sid Snyder Avenue SW  Insurance Suite 200  Olympia, WA. 98504-0255  (360) 725-7100  1-800-562-6900  Fax: (360) 586-3535  [www.insurance.wa.gov](file:///C:\Documents%20and%20Settings\JCook\Local%20Settings\Temporary%20Internet%20Files\JCook\Local%20Settings\Temporary%20Internet%20Files\Local%20Settings\Temporary%20Internet%20Files\OLK170\www.insurance.wa.gov) | Washington Statewide Health Insurance Benefits Advisors (SHIBA)  1-800-562-6900  (360) 725-7171  Fax: (360) 586-4103  TDD: (360) 586-0241 | Washington Aging & Disability Services  Dept. of Social & Health Services  Blake Office Park West  4450 10th Avenue SE  Lacey, WA 98503  (360) 725-2300 |
| West Virginia Dept. of Insurance  P.O. Box 50540  Charleston, WV 25305-0540  (304) 558-3354  1-888-879-9842  Fax: (304) 558-0412  www.wvinsurance.gov | West Virginia State Health Insurance Assistance Program  1-877-987-4463  (304) 558-3317  Fax: (304) 558-0004 | West Virginia Bureau of Senior Services  1900 Kanawha Blvd, East  Charleston, WV 25305-0160  (304) 558-3317  877-987-3646  Fax: (304) 558-5609 |
| Office of the Commissioner of Ins.  State of Wisconsin  P.O. Box 7873  125 South Webster Street  Madison, WI 53703-3474  (608) 266-3585  Fax: (608) 266-9935  [www.oci.wi.gov](http://www.oci.wi.gov) | Wisconsin SHIP  (608) 266-1865  800-242-1060  Fax: (608) 267-3203  TTY: 888-701-1251 | Wisconsin Bureau of Aging & LTC Resources  Dept. of Health and Family Services  1402 Pankratz St., Ste. 111  Madison, WI 53704-4001  800-815-0015  Fax: 608-246-7001 |
| Wyoming Department of Insurance  106 East 6th Avenue  Cheyenne, WY 82002-0440  (307) 777-7401  Fax: (307) 777-2446  <http://insurance.state.wy.us/> | Wyoming State Health Insurance Information Program  1-800-856-4398  Fax: (307) 777-2446 | Wyoming Aging Division  Department of Health  6101 Yellowstone Road, Room 259B  Cheyenne, WY 82002  (307) 777-7986 or 1-800-442-2766  Fax: (307) 777-5340 |