ACTION: Final

EXISTING Appendix 3901-4-01

DATE: 11/05/2018 8:52 AM

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APPENDIX B

Long Term Care Insurance Personal Worksheet

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

By state law, the insurance company must 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 are considering will be [\$ per month, or \$ per year,] [a one-time single premium of \$]			
Type of Policy (noncancellable/guaranteed renewable):			
The Company's Right to Increase Premiums:			
[The company cannot raise your rates on this policy.] [The company has a right to increase			

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

Rate Increase History

The company has sold long-term care insurance since [year] and has sold this policy since [year]. [The company has never raised its rates for any long-term care policy it has sold in this state or any other state.] [The company has not raised its rates for this policy form 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

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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 insurer is not required to use the bracketed sentence if the policy is fully paid up or is a noncancellable policy. What is your annual income? (check one) \Box Under \$10,000 \Box \$[10-20,000] □ \$[20- 30,000] □ \$[30-50,000] □ Over \$50,000 How do you expect your income to change over the next 10 years? (check one) \square No change \square Increase ☐ Decrease If you will be paying premiums with money received only from your own income, a rule of thumb is that you may not be able to afford this policy if the premiums will be more than 7% of your income. Will you buy inflation protection? (check one) \Box Yes \Box No If not, have you considered how you will 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 ten years the national average annual cost would be about [insert \$ amount] if costs increase 5% annually. What elimination period are you considering? Number of days _____ Approximate cost \$ for that period of care. How are you planning to pay for your care during the elimination period? (check 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? (check one) ☐ Under \$20,000 \square \$20,000-\$30,000 \square \$30,000-\$50,000 □ Over \$50,000

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How do you expect your assets to change over the next ten years? (check one) \Box Stay about the same \Box Increase \Box Decrease			
	If you are buying this policy to protect your a you may wish to consider other options for fin		
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).		
Sign	ed:(Applicant)	(Date)	
[explained to the applicant the importance of com	, ,	
Sign	ed:(Agent)	(Date)	
Age	nt's Printed Name:		
	order for us to process your application, please pany], along with your application.]	return this signed statement to [name of	
	agent has advised me that this policy does not so the company to consider my application.	eem to be suitable for me. However, I still	
Sign	ed:		
	(Applicant)	(Date)	

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

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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.