

I. Personal Goals

These are some of the primary reasons people buy long-term care insurance. Do these apply to you?

YES NO I consider it important to be able to leave most of my estate for my spouse or children when I die.

If this is not important to you, then you could pay your own bills until you are eligible for Medical Assistance, you would not need insurance.

I have assets (investments or savings), which I would **not** want to use for my long-term care. *You would need at least \$30,000 to \$50,000 to pay your own long-term care bills for one year. There is no magic number, and you have to decide for yourself whether protecting your assets is worth the premiums you would pay to protect them.*

If I had to go into a nursing home, I would **not** want Medical Assistance to pay the bills. *You have to weigh how strongly you feel about this against the cost of buying insurance to take the place of Medical Assistance.*

I want to choose the specific nursing home or home care services that I would utilize and I do not have sufficient savings or assets to pay for this. *Medical Assistance may not pay for home care services, and some nursing homes limit the number of Medical Assistance recipients they are willing to serve. In addition, there are no guarantees that any specific nursing home will accept a resident.*

I have assets (investments or savings) that I want to be able to leave for my spouse or children when I die, but I want the protection of knowing that Medical Assistance would be there if I needed it. *If this is important to you, you may want to consider a Qualified Partnership Policy.*

II. Affordability

Although long-term care insurance may fit your goals, if you plan to pay for the policy out of your monthly income, you should **not** buy it **unless** you can afford it. If you are over 65, premiums may be as much as \$100-\$300 a month.

Fill in the chart to determine the amount you have left after paying all your expenses. This will give you an estimate of how much you could spend on a long-term care insurance policy. Consider the fact that changes in expenses and income may occur following the death of your spouse.

Worksheet 1: Personal Long-Term Care Insurance Assessment

Monthly Expenses

Rent or mortgage	\$ _____
Food & household supplies	\$ _____
Clothes	\$ _____
Utilities	\$ _____
Car (payments, gas, repairs)	\$ _____
Loans & credit cards	\$ _____
Medical (drugs, office visits not covered by insurance)	\$ _____
Insurance (car, home, health, life)	\$ _____
Taxes (income, personal property)	\$ _____
All other monthly expenses (vacation, gifts, education, recreation, leisure, etc.)	\$ _____
Total Expenses	\$ _____

Future Changes in Net Income

If you buy a long-term care policy, you will probably have to pay premiums for many years, and the premiums may increase over time. Consider how changes in your financial situation (retirement, changing interest rates, death of a partner, etc.) might affect your ability to pay premiums for long-term care insurance.

Do you have other sources of premium payments?

If paying the premiums for long-term care insurance would require a substantial part of your net income, you **probably should not** buy a long-term care policy, unless you can say “yes” to one of the following questions:

YES NO *Would your children or family help pay your insurance premiums? Would you use a savings account, cash in your investments or sell assets to pay premiums?* Before you consider this option, you may wish to consult your lawyer or a financial advisor.

Monthly Income

Wages \$ _____

Social Security \$ _____

Pension \$ _____

Interest & dividends \$ _____

Rental property \$ _____

All other income \$ _____

Total Income \$ _____

Total Income \$ _____ -

Total Expenses \$ _____ =

Total Net Income* \$ _____

** Net Income is how much money you now have available for all other uses, including emergencies.*

III. Risk Assessment

What are the chances you'll need long-term care?

No one can predict the future. You could live to be 100 and never need a day of long-term care. Or, sudden stroke could cause you to require nursing home care for the rest of your life. Deciding to purchase long-term care insurance should be based on two major factors: health and wealth. Consider the following:

HEALTH

Life expectancy: The longer you live, the more likely it is that you will need long-term care. Does your family have a tendency toward short or long life expectancy?

Gender: Are you female? Statistics suggest that the life expectancy for a woman is longer than for a man, and therefore the chances of needing long-term care are greater.

Marital status: If you have a spouse and adult children, you are more likely to receive informal care at home. If family members are unable to provide care and you cannot stay home alone, a nursing home is often the only available option.

Health factors: Do you smoke or have other health conditions? If you are a smoker or have other health conditions that could result in serious health problems in the future, your chances for needing long-term care are higher.

Family history: Have family members been diagnosed with dementia or Alzheimer's? If so, your chances of needing long-term care may be increased.

WEALTH

Financial situation: Generally, financial planners recommend you consider long-term care insurance if you own assets of at least \$75,000 (not including your home or car); have an annual retirement income of at least \$25,000 - \$35,000 for an individual or \$35,000 - \$50,000 for a couple; and you are able to pay premiums without financial difficulty, even if premiums increase over time.

After you have considered these things, you will also want to look at why you would purchase a long-term care policy and how you intend to pay for it. Buying long-term care insurance can be expensive and is a difficult decision to make. You may want to consult with family members, a health insurance counselor, an attorney or a financial advisor.

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

Name of nursing facility:

Name of nursing facility:

Address _____

Address _____

Phone number _____

Phone number _____

Contact person _____

Contact person _____

Check which types of care are available and the cost (per month)

Skilled nursing care \$ _____

Skilled nursing care \$ _____

Intermediate nursing care \$ _____

Intermediate nursing care \$ _____

Personal/custodial care \$ _____

Personal/custodial care \$ _____

Name of home health agency

Name of home health agency

Address _____

Address _____

Phone Number _____

Phone Number _____

Contact Person _____

Contact person _____

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

Skilled care \$ _____ /visit

Skilled care \$ _____ /visit

Intermediate care \$ _____ /visit

Intermediate care \$ _____ /visit

Personal/custodial care \$ _____ /visit

Personal/custodial care \$ _____ /visit

Other facility or service you might use
(e.g. adult daycare center)

Other facility or service you might use
(e.g. adult daycare center)

Address _____

Address _____

Phone number _____

Phone number _____

Contact person _____

Contact person _____

Available services _____

Available services _____

Costs of services _____

Costs of services _____

Information about the availability and cost of long-term care in your area

Worksheet 2:

Company Selling Long-Term Care Policy "1"

Name of company _____

Company address _____

Phone number _____

Toll-free number _____

Is this company licensed to do business in your state of residence? _____ yes
_____ no

Name of agent (if applicable) _____ Phone Number _____

Address _____

Company ratings

Name of rating agency _____ Rating _____

Name of rating agency _____ Rating _____

Company Selling Long-Term Care Policy "2"

Name of Company _____

Company address _____

Phone number _____

Toll-free number _____

Is this company licensed to do business in your state of residence? _____ yes
_____ no

Name of agent (if applicable) _____ Phone Number _____

Address _____

Company ratings

Name of rating agency _____ Rating _____

Name of rating agency _____ Rating _____

Company Selling Long-Term Care Policy "3"

Name of company _____

Company address _____

Phone number _____

Toll-free number _____

Is this company licensed to do business in your state of residence? _____ yes
_____ no

Name of agent (if applicable) _____ Phone Number _____

Address _____

Company ratings

Name of rating agency _____ Rating _____

Name of rating agency _____ Rating _____

Information about companies selling long-term care insurance

a Supplement to the Pennsylvania Insurance Department's Long-Term Care Insurance Guide

Worksheet 3:

Fill in the information below so that you will be able to compare policies. Most of the information you need is in the outline of coverage and the policy; however, some information you will need to calculate or obtain by talking to your agent or company representative.

Information about long-term care insurance policies - a

Supplement to the Pennsylvania Insurance Department's Long-Term Care Insurance Guide

Worksheet 4:

Levels of Care Coverage

Does the policy provide benefits for these levels of care?

- skilled nursing care
- intermediate care
- personal/custodial care

(In Pennsylvania all three levels of care are required)

Does it pay for any nursing home stay, regardless of the level of care you receive? If not, what levels are excluded?

POL 1		POL 2		POL 3	
Yes	No	Yes	No	Yes	No

Yes	No	Yes	No	Yes	No
-----	----	-----	----	-----	----

Places covered under the policy

Does the policy pay for care in any licensed facility? If not, what are the restrictions on where you can obtain care?

Does the policy provide home care benefits for these types of care?

- skilled care
- care given by home health aides
- homemaker services

Does the policy place any restrictions on care received in these settings?

- adult day care centers
- community centers
- other settings? (list)

POL 1		POL 2		POL 3	
Yes	No	Yes	No	Yes	No

Yes	No	Yes	No	Yes	No
-----	----	-----	----	-----	----

Yes	No	Yes	No	Yes	No
-----	----	-----	----	-----	----

Benefit Duration and Amounts

What is the maximum daily benefit amount?

- nursing home care
- home care
- other types of care

Are there limits on the number of days (or visits) per year for which benefits will be paid? If so, what are the limits ?

- nursing home care
- home care (days or visits)
- other types of care

What is the length of the benefit period you are considering?

POL 1	POL 2	POL 3
--------------	--------------	--------------

_____	_____	_____
_____	_____	_____
_____	_____	_____

_____	_____	_____
_____	_____	_____
_____	_____	_____

_____	_____	_____
-------	-------	-------

	POL 1	POL 2	POL 3
Are there limits on the amounts the policy will pay during your lifetime? If so, what are the limits?			
• nursing home care	_____	_____	_____
• home care	_____	_____	_____
• other types of care	_____	_____	_____
• total lifetime limit	_____	_____	_____

Inflation Protection

Are the benefits adjusted for inflation?	Yes No	Yes No	Yes No
Are you allowed to buy additional increments of coverage? If so:	Yes No	Yes No	Yes No
• when can you buy additional coverage?	_____	_____	_____
• how much can you buy?	_____	_____	_____
• when can you no longer buy additional coverage?	_____	_____	_____
Are benefits increased automatically? If so, what is the amount of the increase?	Yes No	Yes No	Yes No
Is this a simple or compound increase?	_____	_____	_____
When do automatic increases stop?	_____	_____	_____
If you buy inflation coverage, what daily benefit would you receive for nursing home care?	_____	_____	_____
• 5 years from now	_____	_____	_____
• 10 years from now	_____	_____	_____
If you buy inflation coverage what daily benefit would you receive for home care?	_____	_____	_____
• 5 years from now	_____	_____	_____
• 10 years from now	_____	_____	_____
After the limits have been reached for inflation adjustments, what is the maximum benefit you will receive for these levels of care?			
• nursing home care	_____	_____	_____
• home care	_____	_____	_____
• other types of care	_____	_____	_____

Other Policy Provisions

	POL 1	POL 2	Pol 3
Is there a waiver-of-premium provision? If so, how long do you have to be in care before it begins?	Yes No	Yes No	Yes No
Does the company offer a nonforfeiture benefit? If so, what kind?	Yes No	Yes No	Yes No
Does the company offer a return of premium benefit? If so, are there any restrictions before the benefit is paid?	Yes No	Yes No	Yes No
Does the company require that you use a care coordinator to receive the maximum benefits provided by the policy	Yes No	Yes No	Yes No

Commencement of Benefits

How long is the elimination or waiting period before benefits begin for these levels of care?

- nursing home care
- home health care
- other type of care

POL 1 POL 2 POL 3

_____	_____	_____
_____	_____	_____
_____	_____	_____

How long will it be before you are covered for a preexisting condition? (The maximum is six months in Pennsylvania.)

_____	_____	_____
-------	-------	-------

How far back will the company look in your medical history to determine a pre-existing condition? (The maximum is six months in Pennsylvania.)

_____	_____	_____
-------	-------	-------

Benefits Eligibility Determination

Which requirement(s) does the policy use to determine eligibility for benefits? (It may have more than one.)

- doctor certification
- medical necessity
- failure to perform activities of daily living (ADLs)

POL 1 POL 2 POL3

Yes No	Yes No	Yes No
Yes No	Yes No	Yes No
Yes No	Yes No	Yes No

If the policy uses an ADL gatekeeper, are ADLs clearly defined and does the policy specify what is meant by failure to perform one?

Yes No	Yes No	Yes No
--------	--------	--------

Does the policy have a separate or different way to qualify for benefits if you have suffered a cognitive impairment, such as Alzheimer’s Disease?

Yes No	Yes No	Yes No
--------	--------	--------

Policy Costs

What is the monthly premium *excluding* all riders?

_____	_____	_____
-------	-------	-------

What is the annual cost of the inflation rider?

_____	_____	_____
-------	-------	-------

What is the cost of a nonforfeiture benefit?

_____	_____	_____
-------	-------	-------

Is there any discount if you and your spouse both buy policies?

_____	_____	_____
-------	-------	-------

If so, what is the amount of the discount?

_____	_____	_____
-------	-------	-------

Do you lose the discount when one spouse dies?

_____	_____	_____
-------	-------	-------

What is the difference in the annual premium if you increase the elimination period from 30 to 90 days?

_____	_____	_____
-------	-------	-------

What is the difference in the annual premium if you increase the benefit period from two to five years?

_____	_____	_____
-------	-------	-------

What is the total annual premium if the policy has a 30-day elimination period and a five-year benefit period, including all riders?

_____	_____	_____
_____	_____	_____
_____	_____	_____

What is the total annual premium if the policy has a 90-day elimination period and a two-year benefit period, including all riders?

_____	_____	_____
_____	_____	_____
_____	_____	_____