



Worksheet 1: Personal Long-Term Care Insurance Assessment

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

I. Personal Goals

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

Yes No

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | I consider it important to be able to leave most of my estate for my spouse or children when I die. <i>If this is not important to you, then you could pay your own bills until you are eligible for Medical Assistance would not need insurance.</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | I have assets (investments or savings), which I would not want to use for my long-term care. <i>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.</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | If I had to go into a nursing home, I would not want Medical Assistance to pay the bills. <i>You have to weigh how strongly you feel about this against the cost of buying insurance to take the place of Medical Assistance.</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | 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. <i>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> |
| <input type="checkbox"/> | <input type="checkbox"/> | 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. <i>If this is important to you, you may want to consider a <u>Qualified Partnership Policy</u>.</i> |

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.

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 \$ _____

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.*

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.

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, a 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.



Worksheet 2: Information about the availability and cost of long-term care in your area - a Supplement to the Pennsylvania Insurance Department's *Long-Term Care Insurance Guide*

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: _____
 Address _____
 Phone number _____
 Contact person _____

Name of nursing facility: _____
 Address _____
 Phone number _____
 Contact person _____

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

skilled nursing care \$ _____
 intermediate nursing care \$ _____
 personal/custodial care \$ _____

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

skilled nursing care \$ _____
 intermediate nursing care \$ _____
 personal/custodial care \$ _____

Name of home health agency _____
 Address _____
 Phone number _____
 Contact person _____

Name of home health agency _____
 Address _____
 Phone number _____
 Contact person _____

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

skilled care \$ _____ /visit
 intermediate care \$ _____ /visit
 personal/custodial care \$ _____ /visit

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

skilled care \$ _____ /visit
 intermediate care \$ _____ /visit
 personal/custodial care \$ _____ /visit

Other facility or service you might use (e.g. adult daycare center)
 Address _____
 Phone number _____
 Contact person _____
 Available services _____

 Costs of services _____

Other facility or service you might use (e.g. adult daycare center)
 Address _____
 Phone number _____
 Contact person _____
 Available services _____

 Costs of services _____



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 _____

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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 _____

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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 _____

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?

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?

Are you allowed to buy additional increments of coverage? If so:

- 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?

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

	Policy 1	Policy 2	Policy 3
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
yes / no _____	yes / no _____	yes / no _____	yes / no _____
_____	_____	_____	_____
_____	_____	_____	_____
_____ years	_____ years	_____ years	_____ years
yes / no	yes / no	yes / no	yes / no
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
yes / no	yes / no	yes / no	yes / no
yes / no	yes / no	yes / no	yes / no
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
yes / no	yes / no	yes / no	yes / no
_____ %	_____ %	_____ %	_____ %
_____	_____	_____	_____
_____	_____	_____	_____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____

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

Is there a waiver-of-premium provision? If so, how long do you have to be in care before it begins?

Does the company offer a nonforfeiture benefit? If so, what kind?

Does the company offer a return of premium benefit? If so, are there any restrictions before the benefit is paid?

Does the company require that you use a care coordinator to receive the maximum benefits provided by the policy?

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

How long will it be before you are covered for a pre-existing 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.)

Policy 1	Policy 2	Policy 3
\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____
yes / no ____ days	yes / no ____ days	yes / no ____ days
yes / no _____	yes / no _____	yes / no _____
yes / no yes / no	yes / no yes / no	yes / no yes / no
yes / no	yes / no	yes / no
____ days	____ days	____ days
____ days	____ days	____ days
____ days	____ days	____ days
____months	____months	____months
____months	____months	____months

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)

(ADLs)

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

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?

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?

	Policy 1	Policy 2	Policy 3
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
yes / no	yes / no	yes / no	yes / no
yes / no	yes / no	yes / no	yes / no
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
yes / no	yes / no	yes / no	yes / no
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____

Long-Term Care Insurance Worksheets -

a Supplement to the *Long-Term Care Insurance Guide*

Brought to you by the Pennsylvania Insurance Department

For more information and additional resources,
log onto www.insurance.state.pa.us,
call us toll-free on our automated hotline at 1-877-881-6388
or at any of our three regional offices listed below:

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