DEPARTMENT OF LABOR AND REGULATION

DIVISION OF INSURANCE

DISCLOSURE FORM

THINGS YOU SHOULD KNOW BEFORE YOU BUY LONG-TERM CARE INSURANCE

Chapter 20:06:21

APPENDIX F

SEE: § 20:06:21:53.02

 **Source:** 28 SDR 157, effective May 19, 2002; 33 SDR 230, effective July 2, 2007.

**Things You Should Know Before You Buy**

**Long-Term Care Insurance**

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| **Long-Term** | •   A long-term care insurance policy may pay most of the costs for your care in |
| **Care** |     a nursing home. Many policies also pay for care at home or other community |
| **Insurance** |     settings. Since policies can vary in coverage, you should read this policy and |
|  |     make sure you understand what it covers before you buy it. |
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|  | •   [You should **not** buy this insurance policy unless you can afford to pay the  |
|  |     premiums every year.] [Remember that the company can increase premiums |
|  |     in the future.] |
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|  | •   The personal worksheet includes questions designed to help you and the |
|  |     company determine whether this policy is suitable for your needs. |
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| **Medicare** | •   Medicare does **not** pay for most long-term care. |
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| **Medicaid** | •   Medicaid will generally pay for long-term care if you have very little income |
|  |     and few assets. You probably should **not** buy this policy if you are now |
|  |     eligible for Medicaid. |
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|  | •   Many people become eligible for Medicaid after they have used up their  |
|  |     own financial resources by paying for long-term care services. |
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|  | •   When Medicaid pays your spouse's nursing home bills, you are allowed to |
|  |     keep your house and furniture, a living allowance, and some of your joint  |
|  |     assets. |
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|  | •   Your choice of long-term care services may be limited if you are receiving |
|  |     Medicaid. To learn more about Medicaid, contact your local or state  |
|  |     Medicaid agency. |
|  |  |
| **Shopper's** | •   Make sure the insurance company or agent gives you a copy of a book called |
| **Guide** |     the National Association of Insurance Commissioners' "Shopper's Guide to |
|  |     Long-Term Care Insurance." Read it carefully. If you have decided to apply |
|  |     for long-term care insurance, you have the right to return the policy within  |
|  |     30 days and get back any premium you have paid if you are dissatisfied for  |
|  |     any reason or choose not to purchase the policy |
|  |  |
| **Counseling** | •   Free counseling and additional information about long-term care insurance |
|  |     are available through your state's insurance counseling program. Contact |
|  |     your state insurance department or department on aging for more informa- |
|  |     tion about the senior health insurance counseling program in your state. |
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| **Facilities** | •   Some long-term care insurance contracts provide for benefit payments in |
|  |     certain facilities only if they are licensed or certified, such as in assisted |
|  |     living centers. However, not all states regulate these facilities in the same |
|  |     way. Also, many people move to a different state from where they purchased  |
|  |     their long-term care insurance policy. Read the policy carefully to determine |
|  |     what types of facilities qualify for benefit payments, and to determine that |
|  |     payment for a covered service will be made if you move to a state that has a |
|  |     different licensing scheme for facilities than the one in which you purchased |
|  |     the policy. |