

Long Term Care Insurance

Long Term Care Insurance

Because Medicare pays for 100 days or less of skilled care in a nursing home, an insurance policy may be purchased to cover Long Term Care in the home or nursing facility. Colorado requires all insurance companies to offer two standardized plans (Basic and Standard) to make it easier for the consumer to compare policies. Companies may offer other policies with more benefits. Long-term care insurance may be very expensive depending upon your age. You should review your finances carefully to determine if purchasing long term care insurance is appropriate. If it is likely that you may qualify for Medicaid, you probably should not purchase long-term care insurance.

A Long Term Care policy offers the following:

- Inflation protection
- A thirty-day "free look" period
- Third party notice to prevent unintentional premium lapse
- An extension of benefits if policy lapses after confinement
- Forms and rates must be pre-approved for new long-term care insurers, or certified by existing insurers by the Colorado Division of Insurance
- Must be federally qualified for tax-deductibility per HIPAA law and regulation
- Marketing requirements -- Must show standard and basic plans to all potential purchases; Secure signature from applicant certifying that standardized policies were shown.

Long Term Care Policies in Colorado may not:

- Be cancelled because of age or mental or physical deterioration
- Exclude coverage of a pre-existing condition for more than 6 months

	BASIC PLAN	STANDARD PLAN
	Nursing Home and Bed Reservation Benefits	Nursing Home, Bed Reservation and Home Care Benefits (including medical and non-medical services provided at home)
<u>Daily Maximum</u> Maximum amount of benefit paid each day for a nursing home stay	\$105/day	\$110/day
<u>Lifetime Value</u> Maximum amount of benefits paid during your lifetime	\$115,000	\$192,000*

**If inflation protection is purchased, maximum benefit amount will increase; single pool of money may be used toward all care settings.*

When Do Benefits Start	Requirement
1. Benefit Triggers	<ul style="list-style-type: none"> • Meet federal definition of chronically individual. • Standby assistance with at least 2 of 6 activities of daily living (bathing, continence, dressing, eating, toileting, and transferring), or continual supervision including cueing to prevent threats to safety from severe cognitive impairment <p><i>This requirement applies only to Standardized products</i></p>

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Benefits	Requirements
1. Benefits	<ul style="list-style-type: none"> Comprehensive coverage of home and community care, nursing home care, and licensed residential care alternatives. <i>Benefits are the same for Basic and Standard Policies; only maximum benefit amount varies.</i> Benefit standards may not be lessened by riders except for waiving or choosing alternative inflation protection methods. Riders for additional benefits are permitted.
2. Inflation Protection	Policy should contain 5% compound protection. Only unused portion of maximum benefit amount is inflated <i>Insured may waive inflation protection or choose other method of inflation protection.</i>
3. Riders	Carriers may use riders to add additional benefits, raise the maximum daily benefit, and so forth, but the rider must clearly separate optional benefit additions from the standard benefits and pricing of standard benefit packages.
4. Reduction in coverage	Consumers may opt to reduce benefits, coverage amounts, and so forth beginning 6 months after purchase
5. Exception for Per Diem Style Products	May pay daily maximum benefit amount rather than actual charges
6. Waiver of Premium	<ul style="list-style-type: none"> After 90 days of benefit eligibility in any institutional service setting, including the elimination period, insureds no longer to pay premiums After 90 days in which benefits are actually received, following the elimination period, insureds receiving home care services no longer have to pay premiums Premium due when benefits are no longer received for 30-day period
7. Alternate Care Facility Benefit	Broad coverage of licensed residential facilities
8. Home Care Benefit	<ul style="list-style-type: none"> Broad definition of medical and non-medical services. Eligible providers include licensed, certified, or accredited by specific national organizations Individual provider who is licensed or certified can provide care consisted with care plan and monitored by nurse or social worker
9. Adult Day Care Benefit	Eligible facilities defined as non-residential facilities, offering 6-12 hours of care per day, provide assistance with activities of daily living, have a monitored plan of care for each client, and has a staff to resident ratio of 1:8 or better
10. Alternate Plan of Care	Other care settings not listed may be covered if agreed to by the insured, insurer, and the insured's doctor. Anticipates new care settings.
11. Respite Care Benefit	21 days per year in home, alternate care facility or nursing home
12. Home modification and supportive equipment benefit	Purchase, rental, installation costs up to at least 50 times the daily benefit maximum
13. Caregiver training benefit	5 times the daily benefit minimum to train person agreed to by the carrier. <i>Elimination period need not be completed.</i>
14. Case Management	Charge paid up to maximum daily benefit for no more than 4 consultations per year. Consumers may choose agency not affiliated with insured if they wish. <i>Compliance with care plan is optional.</i>
15. Bed Reservation Benefit	If a nursing home charges a fee to reserve accommodations while insured is temporarily hospitalized, policy will pay cost up to daily maximum benefit for a maximum of 21 days per policy year. <i>Elimination period must be completed.</i>
16. Elimination Period	60 days, once per life of the policy. Begins when benefit eligibility is established, and counts days in which expenses are incurred. Per diem policies need not track days in which expenses are incurred.

Long Term Care Insurance

Consider the following when examining Long Term Care Insurance Policies:

Does the policy cover:	Yes	No
Skilled, intermediate and long term care:		
Nursing care in a licensed, skilled or intermediate care facility		
Assisted living care		
Home health care		
Adult day care		
Hospice care		
Respite care		
Home modifications		
Caregiver training		
Bed reservation fee (if the person is absent from the nursing home)		
Payment for actual cost of care (versus a set dollar amount)		
Does the policy require:		
Prior hospitalization before benefits are payable		
A waiting period if you have a pre-existing condition		
Payment of a deductible before benefits are in force		
Does the policy clearly state:		
What documentation is necessary to qualify for benefits		
What type and the amount of care that is required to pay benefits		
The length of confinement necessary before waiver of premiums		
Conditions of reinstatement after cancellation or lapse of payment		
Lifetime structure of payment schedule and adjustments for inflation		
What are the requirements for upgrading the policy in years to come		
What are the triggers for benefits to begin?		
Number of deficiencies in activities of daily living		
Does the policy require standby assistance with 2 of 6 activities of daily living		
Does the policy require continual supervision including cueing to prevent threats to safety from severe cognitive impairment		
Does the policy meet the federal definition of chronically ill individual		
Is personal physician or company physician approval required		
Is company case manager approval required		
Is there an elimination period? If so, when are benefits paid		
What are the benefits		
Daily benefit		
Lifetime benefit or value		
Benefit with inflation protection value in 5 years, 10 years		
Is the plan federally tax qualified under HIPAA laws and regulations		
Are you responsible for filing claims? If so, how are they filed?		

Long Term Care Insurance

Long Term Care Insurance Companies	S&P Rating	A M Best Rating	Phone Number
Allianz Life Ins Co of North America	AA	A+	800-814-8841
Allstate Life Ins Co	AA+	A+	800-366-1411
Am Family Life Asr Co of Columbus	AA	A+	800-992-3522
American Fidelity Assurance Co	A(pi)*	A+	800-654-489x5099
American Network	NR	B-	800-362-0700
American Pioneer Life Ins CO	BBB+	B++	800-362-0700
American Republic Ins Co	A(pi)*	A-	800-247-2190
Bankers Life & Casualty	B+	Bu	800-621-3724
Constitution Life Ins Co	BB(pi)*	B++	800-789-6364
Continental General Ins Co	B(pi)*	B+	800-545-8905
COPIC	BBB(pi)*	A	720-858-6000
Country Life Ins Co	A(pi)*	A+	888-211-2555
CUNA Mutual Life Ins Co	A(pi)*	A	800-356-2644
Equitable Life & Casualty Ins Co	BB(pi)*	B++	800-352-5170
Farmers New World Life Ins Co	A+(pi)*	A	877-376-8021
GE Life & Annuity	AA	A+	800-456-7766
General Electric Capital Asr Co	AA	A+	800-456-7766
Golden Rule Insurance Company	A+	A	888-474-6762
Great American Life Ins Co	A-	A	800-921-9338
John Alden Life Insurance Co	NR	A-	800-366-5463
John Hancock Life Ins Co	AA	A++	800-377-7311
Knights of Columbus	AAA	A++	800-345-5632
Life Investors Ins Co of America	AA+	A+	800-524-9902
Lincoln Benefit Life Co	AA+	A+	888-503-8110
Massachusetts Mutual Life Ins Co	AAA	A++	888-505-8952
MedAmerica Ins Co	A-	A-	800-544-0327
Medico Life Ins Co	NR	B-	800-228-6080
Metropolitan Life Ins Co	AA	A+	800-308-0179
Monumental Life Insurance Co	AA+	A+	888-846-0013
Mutual of Omaha Ins Co	AA-	A	800-775-6000
Mutual Protective Ins Co	NR	B-	800-228-6080
National States Insurance Co	BB(pi)*	B+	800-868-6788
New York Life Ins Co	AA+	A++	800-224-4582
Northwestern Long Term Care Ins Co	AAA	A++	877-582-

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Penn Treaty Network Am Ins Co	B-	B-	800-362-0700
Pennsylvania Life Ins Co	BBB+	B++	888-802-9497
Peoples Benefit Life Insurance Co	AA+	A+	800-362-8837
Physicians Mutual Ins Co	AA	A	800-228-9100
Provident Life & Accident Ins Co	A-	A-	800-784-8686
Prudential Ins Co of America 10/2/03	A+	A	800-732-0416
Senior American Life Insurance Co	NR	B+	877-725-4582
State Farm Mutual Automobile Ins Co	AA	A++	Local Agents
State Life Ins Co	AA-	A	888-505-8101
Transamerica Life Insurance Co	AA+	A+	800-338-0257
Transamerica Occidental Life Ins Co	AA+	A+	800-690-2758
Travelers Ins Co Life Dept	AA	A++	888-507-9185
Union Labor Life Insurance Co	B(pi)*	B+	202-682-0900
United Teacher Associates Ins Co	BB(pi)*	A-	800-880-8824
UNUM Life Ins Co of America	AA-	A	800-784-8686
West Coast Life Ins Co	AA	A+	800-410-1895

- *Pi -- Ratings based on an analysis of published information in the public domain. It does not reflect in-depth meetings with management. Therefore, ratings are based on less comprehensive information.*
- *NR - Not rated*