

Appendix D Long-Term Care Insurance Policy Illustration Form

I. FEDERAL TAX/STATE MASSHEALTH (MEDICAID) EXEMPTIONS

This Individual/Group Policy is Intended to:	Yes/No
1. Qualify for Federal Income Tax Deductions/Exemptions under Federal Law*	
2. Qualify for MassHealth (Medicaid) Exemptions under Massachusetts Law*	

*These laws are subject to change at any time. These exemptions might not apply to this policy at a future date. Read *Your Options for Financing Long-Term Care: A Massachusetts Guide* for more information.

II. THIS POLICY COVERS THE FOLLOWING LONG-TERM CARE SERVICES

Type of Service	Daily Benefit ¹	Max Benefit (\$/Days) ¹	Type of Service	Daily Benefit ¹	Max Benefit (\$/Days) ¹
1. Nursing Home			5. Home Care		
2. Assisted Living			6. Adult Day Care		
3. Home Health Care			7. Respite Care		
4. Personal Care			8. Other		

III. BENEFIT LIMITS²

\$ _____ per day/month/year for _____ days/months/years OR \$ _____ per lifetime
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IV. BENEFITS BEGIN AFTER:

____ Days OR \$ _____ Deductible

V. EXCLUSIONS AND LIMITATIONS

Type	Yes/No ³
PREEXISTING CONDITIONS	
OTHER:	

VI. TO BE ELIGIBLE FOR BENEFITS

You must need supervision due to a cognitive impairment OR
 You must need **hands-on help/standby help** with ____ of the following Activities of Daily Living: eating, transferring, bathing, dressing, toileting, continence due to a loss of physical capacity or severe cognitive impairment.

VII. OTHER BENEFITS

Yes/No	Type	Terms	Premium
	Inflation Protection		\$ _____
	Nonforfeiture Benefit		\$ _____
	Other		\$ _____

VIII. ANNUAL PREMIUM

Terms and Conditions ⁴	Total
	\$ _____

IMPORTANT: This is a brief summary of proposed coverage. It is not a policy. If you choose to purchase a policy, please read and review your policy carefully to verify that the coverage you have purchased is the coverage you intended to purchase.

^{1,2,3,4} See reverse side for more information

Appendix D

Long-Term Care Insurance Policy Illustration Form (cont.)

ADDITIONAL INFORMATION

¹ These benefit amounts usually are not cumulative. For example, if your policy provides a total of 730 days of coverage and you use 100 days to pay for home health care services, you will have 630 days of coverage left to apply to other services such as nursing home care.

Further information about the benefits covered by this policy:

[To be completed by carrier.]

² Long-term care insurance usually does not cover the full cost of long-term care services. According to the most recent *Your Options for Financing Long-Term Care: A Massachusetts Guide*, the **average cost** of private nursing home care in Massachusetts was \$191 per day and the **average stay in a nursing home** lasted 511 days. The average cost of home health care services in Massachusetts was \$45 per day.

Inflation is likely to have increased these average costs by the time you need long-term care services. Inflation protection coverage will help protect the value of your benefits:

[To be completed by carrier. INFLATION PROTECTION ILLUSTRATION demonstrating graphically how inflation and inflation protection option could affect policy benefits over 20-year period. If necessary, a separate page may be attached to the Policy Illustration Form that includes an illustration of the policy's inflation protection.

³ Further information about the **exclusions or limitations** contained in this policy:

[To be completed by carrier.]

⁴ **Level premiums** are designed to stay the same for the life of the policy, although they can be changed for an entire class of policyholders. **Guaranteed premiums** never can be increased. Some premiums are subject to **discounts** (for example, spousal discounts or a first-year-only discount).

Prepared For: [Name]

Date:

Agent: [Name, Address, Phone]