

ALABAMA DEPARTMENT OF INSURANCE  
ADMINISTRATIVE CODECHAPTER 482-1-091  
LONG TERM CARE INSURANCE

482-1-091-AB

Appendix B Personal Worksheet.

## APPENDIX B

## Long Term Care Insurance

## Personal Worksheet

People buy long-term care insurance for many reasons. Some don't want to use their own assets to pay for long-term care. Some buy insurance to make sure they can choose the type of care they get. Others don't want their family to have to pay for care or don't want to go on Medicaid. But long-term care insurance may be expensive, and may not be right for everyone.

By state law, the insurance company must ask you to fill out this worksheet to help you and the company decide if you should buy this policy.

**Premium**

The premium for the coverage you are thinking about buying will be [\$\_\_\_\_\_ per month, or \$\_\_\_\_\_ per year,] [a one-time single premium of \$\_\_\_\_\_.]

[The company cannot raise your rates on this policy.] [The company has a right to increase premiums in the future.] The company has sold long-term care insurance since [year] and has sold this policy since [year]. [The last rate increase for this policy in this state was in [year], when premiums went up by an average of \_\_\_\_\_%]. [The company has not raised its rates for this policy.]

**Drafting Note:** The issuer shall use the bracketed sentence or sentences applicable to the product offered. If a company includes a statement regarding not having raised rates, it must disclose the company's rate increases under prior policies providing essentially similar coverage. The issuer may include rate information for up to two policy forms if the issuer has not changed rates on either policy form or for prior policies providing essentially similar coverage.

[ ☐ Have you considered whether you could afford to keep this policy if the premiums went up, for example, by 20%?]

**Drafting Note:** The issuer shall use the bracketed sentence unless the policy is fully paid up or is a noncancellable policy.

How will you pay each year's premium?

☐ From my Income      ☐ From my Savings\Investments      ☐ My Family will pay

**Income**

What is your annual income? (check one)

☐ Under \$10,000    ☐ \$[10-20,000]    ☐ \$[20-30,000]    ☐ \$[30-50,000]    ☐ Over \$50,000

**Drafting Note:** The issuer may choose the numbers to put in the brackets to fit its suitability standards.

How do you expect your income to change over the next 10 years? (check one)

☐ No change      ☐ Increase      ☐ Decrease

*If you will be paying premiums from your own income, a rule of thumb is that you may not be able to afford this policy if the premiums will be more than 7% of your income.*

Turn the Page

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**Savings and Investments**

Not counting your home, about how much are all of your assets worth (your savings and investments)? (check one)

☐ Under \$20,000      ☐ \$20,000-\$30,000      ☐ \$30,000-\$50,000      ☐ Over \$50,000

How do you expect your assets to change over the next ten years? (check one)

☐ Stay about the same      ☐ Increase      ☐ Decrease

*If you are buying this policy to protect your assets and your assets are less than \$30,000, you may wish to consider other options for financing your long-term care.*

**Disclosure Statement**

<input type="checkbox"/> The answers to the questions above describe my financial situation.	<input type="checkbox"/> I choose not to complete this information.
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Signed: \_\_\_\_\_

(Applicant)

(Date)

[ ☐ I explained to the applicant the importance of completing this information.

Signed: \_\_\_\_\_

## Insurance

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(Agent)

(Date)

Agent's Printed Name: \_\_\_\_\_

[**Note:** In order for us to process your application, please return this signed statement to [name of company], along with your application.]

[My agent has advised me that this policy does not seem to be suitable for me. However, I still want the company to consider my application.]

Signed: \_\_\_\_\_]

(Applicant)

(Date)

**Drafting Note:** Choose the appropriate sentences depending on whether this is a direct mail or agent sale.

*The company may contact you to verify your answers.*

**Drafting Note:** When the Long-Term Care Insurance Personal Worksheet is furnished to employees and their spouses under employer group policies, the text from the heading "Disclosure Statement" to the end of the page may be removed.

(12/02)

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**Statutory Authority:** Code of Ala. 1975, §§27-2-17, 27-19-100, et seq.

**History:** Filed for codification in the Alabama Administrative Code by the Department of Insurance on January 17, 2003, pursuant to the Code of Ala. 1975, §27-7-43.