

Kansas Long-Term Care Insurance and Shopper's Guide

*Rates effective as of **April 1, 2011***



Kansas Insurance Department
Sandy Praeger, Commissioner

Long-Term Care Insurance and Shopper's Guide

April 2011

Dear Kansas consumer,

As you plan for the future, you may consider purchasing long-term care insurance. This type of policy is designed to pay some or all of the costs of assisted care when you can no longer take care of your needs on your own. Policy options may include care in a nursing home, an adult day care facility or even your own home.

Purchasing any type of insurance can be confusing. We've developed this booklet to help answer your questions about long-term care insurance. Inside this guide you'll find definitions, guidelines about who should buy long-term care insurance and general information about policies being sold in Kansas. This guide also provides cost and rate-increase information to help you shop for a long-term care insurance policy.

If you have questions or need assistance understanding long-term care issues, don't hesitate to contact the Kansas Insurance Department's Consumer Assistance Hotline toll-free at **800-432-2484**. Our trained staff is dedicated to helping answer your insurance questions and finding solutions to your problems.

Sincerely,



Sandy Praeger,
Commissioner of Insurance



Tell us what you think!

We are always looking for the best ways to assist consumers with their insurance needs. If you have a suggestion on how to improve this publication, send us an email:
commissioner@ksinsurance.org

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Section I: About Long-Term Care Insurance

Long-term care services help a person maintain his or her lifestyle.

In 2010, care in a Kansas nursing home cost \$52,013/year.

A private room cost between \$122 - \$262 per day; a semiprivate room cost between \$114 - \$320 per day.

What is long-term care?

Long-term care is the help you may need if you are unable to care for yourself because of a prolonged illness or disability. People often think of long-term care as taking place in a nursing home. In fact, the term refers to a variety of private and semiprivate care situations and services, including home health care, adult day care and nursing facilities.

Long-term care differs from traditional medical care. While medical care services rehabilitate or correct certain medical problems, long-term care services help a person maintain his or her lifestyle.

How much does long-term care cost?

The cost of long-term care varies greatly depending upon the type of services provided. Skilled services, such as nursing or therapy, will cost more than support services, such as homemaker help or personal care. Generally, home care services can be provided at a lower cost than in a nursing facility.

Because there is such a wide variety of services now available and the costs vary from area to area, you should check in your local area for the kinds of services offered and their costs. As you plan, it's also important to keep in mind that these costs will probably increase before you actually have a need for the services. The annual inflation factor for health care services was calculated at 8.2% in 2010.

How is long-term care paid for?

There are three basic ways that long-term care is paid in Kansas:

- Medicaid/Medicare
- Private pay
- Long-term care insurance

Medicare may cover some long-term care costs, but that coverage is limited in nature and generally approved for short periods of time. The balance is paid by long-term care insurance. In 2004,

long-term care recipients made up 26% of Medicaid enrollees but accounted for 69% of expenses, according to the Kaiser Family Foundation.

Medicare: After a three-day minimum inpatient hospital stay for a related illness or injury, Medicare covers a semiprivate room, meals, skilled nursing, rehabilitative services and other services and supplies for up to 100 days in a benefit period. To receive care in a skilled nursing facility, you must need skilled care, like intravenous injections or physical therapy. Medicare doesn't cover long-term care or custodial care in this setting. It also doesn't cover custodial care if it is the only kind of care you need.

Medicaid: To receive Medicaid assistance, you must meet federal poverty guidelines for income and assets, and may have to "spend down" or use up most of your assets on health care. When you have spent down your assets, you may then be eligible for Medicaid. Many people begin paying for nursing home care out of their own pockets and spend down their financial resources until they become eligible for Medicaid. They then turn to Medicaid to pay part or all of their nursing home expenses.

Who will most likely need long-term care services?

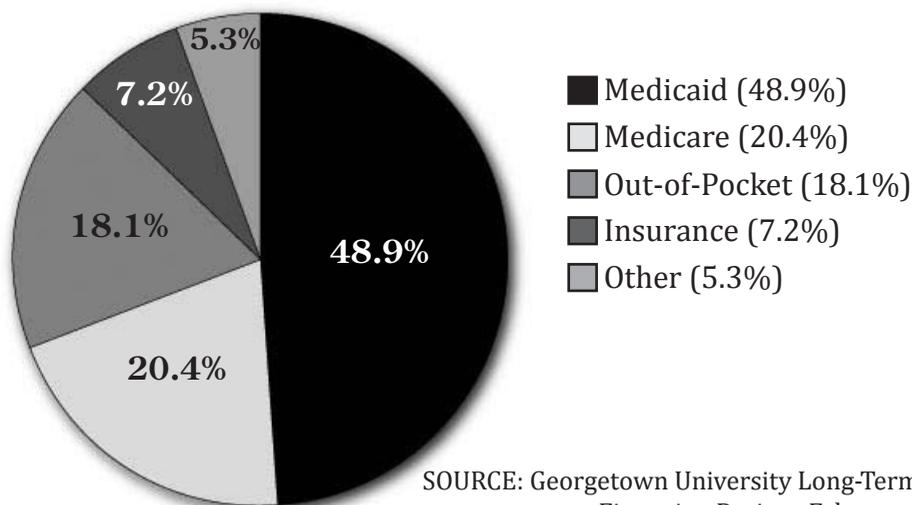
Your personal risk of needing long-term care depends on some of the following factors:

Life expectancy: The longer you live, the more likely it is that you will need long-term care. How long did your parents,

To learn more about Medicaid eligibility, contact your local Social and Rehabilitation Services (SRS) Office or your local Area Agency on Aging.

If you do not know how to contact either of these agencies, you may call the Kansas Department on Aging at 800-432-3535.

National spending for long-term care, by payer (2005)



SOURCE: Georgetown University Long-Term Care Financing Project, February 2007

The profile of a person seeking nursing facility admission in Kansas:

- is a white female
- has an average age of 85
- needs help with three activities of daily living

SOURCE: Kansas Department on Aging

“Activities of daily living” are defined as:

- bathing
- eating
- dressing
- toileting
- transferring in and out of chairs or beds
- care for incontinence
- care for cognitive limitations due to Alzheimer’s disease or another form of dementia

aunts, uncles and grandparents live? Do people in your family tend to live long lives?

Your gender: Women are at a much higher risk of needing to pay for formal long-term care for several reasons. Women tend to marry older men, have longer life spans and often outlive their spouses.

Married or single: 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: If you have been diagnosed or treated for a certain health condition, you may be at greater risk than another person of the same age and gender. Unfortunately, it may be this known health condition that will make you ineligible to buy long-term care insurance.

Should you buy long-term care insurance?

After you have considered your chances of needing long-term care, you will also want to look at why you would purchase a long-term care policy and how you intend to pay for it. People buy long-term care insurance for a variety of reasons. Some reasons include:

- to avoid spending assets for long-term care.
- to decrease the chances of going on Medicaid.
- to give the individuals more freedom of choice regarding the type of care received.
- to protect family members from having to pay for or provide care.

Whether you need long-term care insurance depends on your income, family situation and personal risk factors. We have provided a personal worksheet at the back of this guide to help you assess your needs.

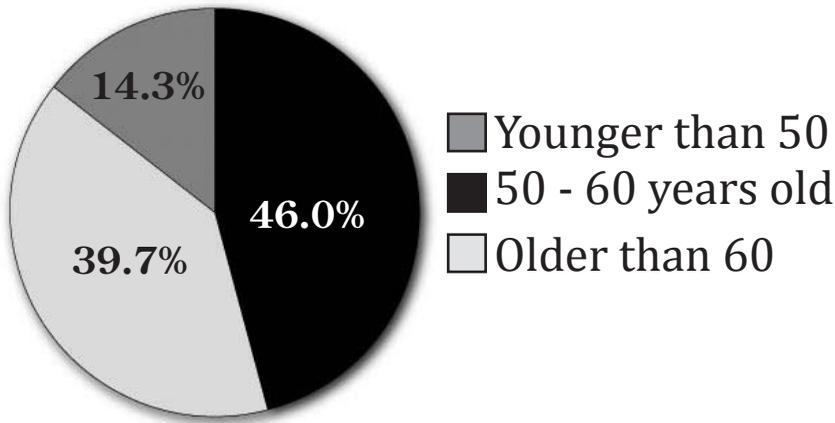
Nursing home residents by age and gender

Age group	Number of residents	Men	Women
64 or younger	175,000	54%	46%
65 to 84 years old	643,000	34%	66%
85 or older	674,000	18%	82%

SOURCE: AARP Public Policy Institute analysis of 2004 National Nursing Home Survey

Purchasing a long-term care policy while you are younger means that you are less likely to develop a condition that could disqualify you from getting coverage.

Age of purchasers of long-term care insurance



SOURCE: American Association for Long-Term Care Insurance

Who shouldn't consider long-term care insurance?

Not everyone should buy a long-term care insurance policy. For some, a long-term care policy is an affordable and attractive form of insurance, but for others, the coverage is too expensive or the benefits they can afford are inadequate. You shouldn't buy a long-term care policy if you have trouble stretching your income to pay for utilities, food or medicine. And you likely shouldn't buy a policy if your only income is Social Security.

Kansas Insurance Commissioner Sandy Praeger recommends that people whose combined Social Security benefits and retirement savings total less than \$50,000 not buy long-term care insurance because the cost of care can quickly deplete the savings of members of this group. Once your savings is depleted, you become eligible for Medicaid, which covers many of these expenses.

Kinds of long-term care policies available

Long-term care insurance policies are not standardized like Medicare supplement insurance: Each policy is different. Companies sell policies with many combinations of benefits and coverages.

Purchasing a long-term care policy while you are younger means you are less likely to develop a condition that could disqualify you from getting coverage.

Whether you need long-term care insurance depends on your income, family situation, and personal risk factors.

Look for a personal worksheet in the back of this guide to help you assess your needs.

Federal law provides for favorable tax treatment of certain long-term care plans. Plans are tax qualified or nontax qualified. Check with your tax adviser to find out which plan is best for you.

To claim a tax deduction for your premium, your medical expenses must exceed 10% of your adjusted gross income. The amount of premium you can deduct as a medical expense is based on your age.

There are several ways to purchase coverage:

- an individual policy
- a group policy sponsored by your employer
- membership in an association
- a life insurance policy
- an annuity

Most of the policies in Kansas are sold on an individual basis and through insurance agents.

Tax-qualified long-term care plans

In 1996, Congress passed the Health Insurance Portability and Accountability Act (HIPAA), which amends the Internal Revenue Code and provides for favorable tax treatment for “qualified” long-term care plans. Policies sold after Dec. 31, 1996, must meet new standards to be considered “tax qualified.”

If you have a tax-qualified plan:

- The benefits paid out by a qualified long-term care policy will generally not be taxable as income by the federal government.
- You *may* deduct all, part or none of the premium — to a certain level based on your age — for a long-term care insurance policy as medical expenses on your itemized federal tax return. The threshold is now 10% as determined by the Patient Protection and Affordable Care Act signed into law on March 23, 2010.

To claim a tax deduction for your long-term care premium, all of your medical expenses must be more than 10% of your adjusted gross income. Check with your tax adviser to find if you qualify for a deduction, and if so, how much.

Tax-qualified plans must also state the requirements that a person must meet before any benefits are paid. Each policy has provisions for determining when you are eligible to receive benefits, often referred to as “benefit triggers.” Tax-qualified plans must use an eligibility standard, which requires that a licensed health care professional certify that you are chronically ill. You will be considered chronically ill if you meet *one* of the following standards:

- You are expected to be unable, without substantial help from another person, to perform at least two of six activities of daily living (ADLs) for at least 90 days. ADLs are bathing, dressing, toileting, transferring in and out of chairs or beds, eating and continence.

OR

- You must need substantial supervision to protect your health and safety because you have a cognitive impairment.

Tax status must be disclosed

All companies selling long-term care policies sold after Jan. 1, 1997, must clearly identify the tax status of the policy. If the policy is tax qualified, the statement will normally be on the face page of the policy. Policies issued before Jan. 1, 1997, are “grandfathered.” The Internal Revenue Service always has the right to make the final determination as to the tax qualification of any policy.

Nontax-qualified long-term care plans

If you purchase a nontax-qualified plan after Jan. 1, 1997, you will not be able to deduct any portion of the premium, and any benefits paid may be considered taxable income to you. It would be best to consult with your tax adviser regarding these provisions.

Some life insurance policies and annuities qualify as long-term care

Some life insurance policies and annuities may be considered a qualified long-term care policy if they provide certain long-term care benefits as a rider or part of the contract. You must be considered chronically ill under the standards discussed above to receive long-term care benefits from a life insurance policy or annuity.

What is not covered

Kansas laws allow policies to have these exclusions:

- Pre-existing condition — A pre-existing condition is an illness or disability for which you received medical advice or treatment during a specified period before applying for insurance. Most long-term care policies will not pay benefits for these conditions for a certain length of time, usually 6 months, after you become insured.

Long-term care policies issued before Jan. 1, 1997, are “grandfathered” and are considered tax-qualified.

The front page of your policy will generally say whether it is tax qualified.

Check the list of exclusions to see what the policy does not cover.

- Care by family members — Most policies will not pay members of your family to take care of you. Some policies will pay to train family members to be your care provider. Check with the insurance company.
- Mental and emotional disorders or disease, other than Alzheimer's disease.
- Alcoholism and drug addiction.
- Illness caused by an act of war.
- Treatment already paid for by Medicare or any government program except Medicaid.
- Attempted suicide or intentionally self-inflicted injuries.

Designing your long-term care plan

There are many variables to consider when you are designing a long-term care plan that not only suits your needs but also fits your budget. This section discusses the basic plan design elements that you will need to consider.

A long-term care policy has these basic features:

- An elimination period (period before benefits begin) typically ranging from 0 to 100 days
- A maximum benefit period (pay-out period) ranging from "one year" to "lifetime"
- A daily benefit usually ranging from \$50 to \$250 per day

For example, you might select a plan that pays \$70 per day, has benefits that begin after 30 days and has a benefit pay-out period of 3 years.

When benefits begin — the elimination period

You will need to select an elimination period, sometimes called a waiting period, which determines when your policy will begin paying benefits once you have entered a nursing home or begin to use home services. During this elimination period, you will be responsible for paying all costs out-of-pocket. The most common options available are for benefits to start at 0, 20, 30, 60, 90 or 100 days after you enter a nursing home or begin to receive home services. Some policies may have a longer waiting period.

For example, if you choose a plan with a 30-day elimination period, your policy will begin paying benefits on the 31st day. You will be financially responsible for the first 30 days.

In choosing an elimination period, you will want to keep in mind that the shorter the elimination period, the higher your premium. The longer you can wait for the benefits to begin, the lower your premium costs. You are responsible for the cost of long-term care during the elimination period.

For example, if you buy a policy with a 90-day elimination period, you will be responsible for the cost of your first 90 days in the nursing home. If the nursing home costs \$70 per day, you will pay \$6,300 before the policy will begin to pay. If you leave the nursing home before the 90 days expire, the policy will pay nothing.

If you are required to re-enter a nursing home facility within 6 months of your first stay, you will not be required to repeat the elimination period. However, if you are re-admitted to a nursing home more than six months after your first stay, you will be required to fulfill another elimination period before the policy will begin paying again.

Length of the benefit period

When you buy a policy, you will also be asked to decide how long you want your benefits to pay out. The most common benefit “payout” periods are one, two, three or five years, or for your lifetime. The premium cost will be higher if you choose a longer benefit period.

Several companies provide a maximum benefit stated in a total dollar amount rather than a benefit period. For example, you might buy a lifetime benefit of \$50,000. The policy will pay the actual charge per day until the maximum benefit has been paid. If the current charge is \$70 per day, the benefit would last for 714 days, — or almost two years.

Daily benefit amount

You will select a daily benefit maximum when you buy the policy. Choices usually range from \$50 to \$250 a day. Most policies pay the actual cost of each day of care at a nursing home up to the daily maximum amount you select. The premium cost will be higher if you choose higher daily maximums. You will be responsible for the difference if actual care expenses exceed your daily benefit amount.

Steps to designing your plan

You will need to decide on several factors:

- elimination period
- benefit period
- daily benefit
- tax qualified or nontax qualified
- where you want to receive care
- optional provisions

When choosing your benefit amount, remember that you will be responsible for all expenses not paid by your insurance policy.

Generally, policies pay benefits using either an “actual expenses incurred” method or an “indemnity” method.

An **actual expense policy** pays benefits only when eligible services are received. For example: Assume you have a policy with a maximum daily benefit of \$70 and the nursing home charges only \$65 per day. The policy will only pay \$65 per day because the actual charge is less than the \$70 maximum daily benefit.

An **indemnity policy** pays benefits as specified in the policy without regard to the specific services received. For example: Again, assume your policy has a \$70 daily benefit and the nursing home charges only \$65 per day. An indemnity policy will pay \$70 per day.

For either policy, benefits will be paid to you, or you may “assign” your benefits and have them paid directly to the nursing home. It’s important that you know how much nursing facilities in your area charge before you select a benefit amount. We suggest you contact two or three nursing facilities in your area to determine current price ranges for daily care. Use the chart below to keep track of these prices.

Where care is received

Contact several nursing facilities in your area to determine current price ranges for daily care.

Present cost of long-term care in your area

Facility	Daily charge
Nursing home: _____	_____
Nursing home: _____	_____
Home health care agency: _____	_____
Home health care agency: _____	_____

Regardless of which plan you choose, it is also important to know where services are covered. If you are not in the right type of facility, the insurance company can refuse to pay.

Policies may pay for care in different places. Many policies cover all three: nursing facilities, your home and adult day care.

Nursing home services: In Kansas, policies are required to cover stays in licensed nursing facilities. Currently

this includes assisted-living and residential health care facilities licensed in the state. The average cost of nursing home services in Kansas in 2010 was \$148.75 per day, or \$54,294 per year.

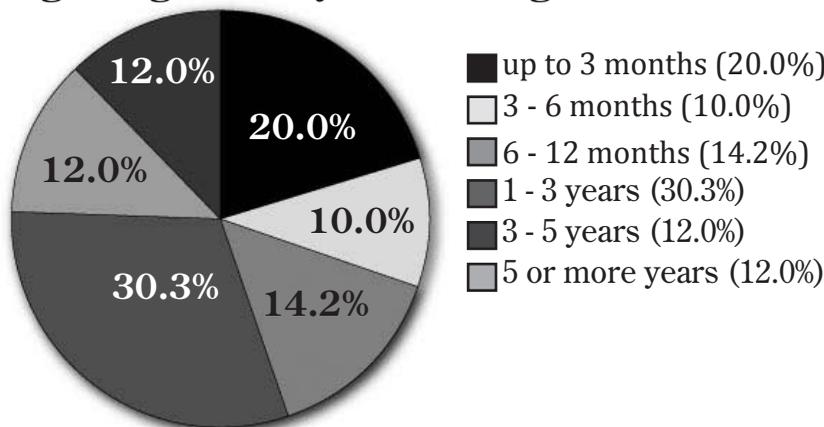
Home health care: Home health care services are provided in a person’s home by a licensed home health agency. Covered services also may include part-time skilled nursing care and physical therapy. Some policies pay for homemaker services such as cooking, cleaning and running errands. Benefits for home health tend to be less expensive than for nursing home care. The average cost of home health care in Kansas in 2010 was \$112.46 per day, or \$41,047 per year.

Adult day care programs: Policies may provide reduced coverage for services received in an adult day care facility. These programs provide care on a daily basis to individuals who do not require confinement in a nursing home. Benefits typically include nursing care; therapeutic, social, and educational activities; and constant supervision because of Alzheimer’s or a similar disease. The average cost of adult day care programs in Kansas in 2010 was \$46.30 per day, or \$16,900 per year.

Long-term care plans are not standardized. Be sure you understand the kinds of facilities your policy will cover.

If you purchase a Kansas policy and plan to move out of state, make sure the insurance company will pay for the facility in another state. Other states license their facilities under different names or not at all. Consult with the other state’s insurance department before making a decision.

Average length of stay for nursing home residents



SOURCE: American Association for Long-Term Care Insurance’s 2008 LTCi Resource book



Optional benefits usually add to the cost of your policy. Be sure you understand the benefits and what those benefits will cost.

Every company must offer you an inflation protection option.

Optional provisions or riders

Optional features may be added to your policy. Most optional features will add to the cost of your plan. Optional riders may include inflation protection, waiver of premium charges, nonforfeiture benefits, restoration of benefits, shared care rider, survivorship benefit and/or waiver of home health care elimination period.

- **Inflation protection:** Inflation will affect the cost of long-term care services. For example, a nursing home that costs \$70 a day now will cost \$186 a day in 20 years, assuming an inflation rate of 5 percent a year. Providing inflation protection is an important addition to your policy because it ensures that your policy's value will increase with inflation. However, it may also significantly increase the cost of your coverage.

The added cost will depend on your age when you purchase the policy and when you expect to use the policy. The younger you are when you purchase a policy, the more important it is for you to consider adding inflation protection.

Inflation benefits may be increased on either a simple or compounded rate basis. If the inflation adjustment is simple, the dollar amount of the increase added to the benefit stays the same every year. However, if the adjustment is compounded, the benefit grows by an increasing dollar amount each year because interest grows on the principal and the interest previously earned. For example, a \$75 daily benefit that increases by a simple 5% a year will provide \$150 a day in 20 years. But if it's compounded, it would provide \$199 a day.

In Kansas, every company must offer you an inflation protection option. It is your decision whether to buy the coverage. If you refuse the coverage, you will be asked to sign a statement saying

Simple interest versus compound interest

Year	Simple interest	Compound interest
Daily benefit	\$75	\$75
1	\$78.75	\$78.75
2	\$82.50	\$82.69
3	\$86.25	\$86.82
...
20	\$150	\$199

you don't want inflation protection. Be sure you understand what you are signing.

Inflation protection is most commonly offered in one of two ways:

- 1) Benefits automatically increase each year.
- 2) Optional increases are offered to you on a periodic basis, such as every three years.

Inflation protection isn't the same as a future purchase option, which allows you to choose to increase your benefit periodically. Your premium will initially be lower under this option but will increase each time you buy additional coverage.

- **Waiver of premium charges:** Most companies provide a waiver of premium provision. This provision allows you to stop paying premiums (waive the premium) once you are in a nursing home and the insurance company has started to pay benefits. Some companies waive the premium as soon as they make the first benefit payment. Others wait 60 to 90 days. This provision may not apply if you are receiving care in your home.

- **Nonforfeiture benefits:** If you have this benefit, some of your premiums will be returned to you if you cancel the policy or stop paying the premiums. A nonforfeiture benefit can add significantly to a policy's cost, depending on such things as your age at the time of purchase, the type of nonforfeiture benefit offered and whether the policy provides inflation protection. If your policy lapses without a nonforfeiture of benefits, you may not receive any return of premiums.

Inflation protection helps keep your policy benefits current with the cost of long-term care in your area.

Inflation protection isn't the same as a future purchase option, which allows you to choose to increase your benefit periodically.

Always answer all underwriting questions as completely and truthfully as possible to avoid denial of your claim or cancellation of your policy.

Qualifying for coverage

Underwriting

Companies selling long-term care insurance “underwrite” their coverage, meaning the company looks at your health and health history before it will issue you a policy. If you do not meet the guidelines established by the company, you may not qualify for coverage. The Kansas Insurance Department cannot force a long-term care insurance company to accept you and issue you a policy.

Some companies do what is known as “short-form” underwriting. On the application for coverage, they will ask you to answer a few questions about your health. For example, they may want to know if you have been hospitalized in the past 12 months or have been confined to a wheelchair. Some companies may ask for more information, examine your current medical records or ask for a health statement from your doctor.

No matter what kind of underwriting a company uses, it is very important to answer all health questions as truthfully and thoroughly as possible. If a company later learns you did not fully disclose your health status on the application, the company could refuse to pay your claim or could cancel your policy.

A copy of your application generally will be attached to your policy. It’s a good idea for you to review this application to be certain you have answered all health questions truthfully and the information you provided to the company is complete.

Pre-existing conditions

Companies may impose a waiting period for pre-existing conditions. This means that policy benefits will not be paid for services related to conditions which existed before you purchased the policy. (The definition of a pre-existing condition is found on page 7 in the “What is not covered” section.) If the company discovers you have not disclosed a pre-existing condition on your application, it may refuse to pay for treatment related to that condition or it could terminate your coverage.

Factors affecting your premium

Generally, your premium is based on the following:



Age — The younger you are when you purchase a policy, the less you pay in premiums.

Elimination period — Premiums are less if you increase the elimination period. The longer you can wait for benefits to begin, the lower your premium will be. *(See pages 8 and 9 for more information.)*

Benefits — A policy paying \$50 a day for three years will cost less than one paying \$100 a day for five years. To decide the benefit amount you would like to have, multiply an estimated daily cost of care and by the number of days of care for which you want coverage.

Other factors — Where you live, your health at the time the policy is issued and any optional benefits you decide to add to your policy may increase your costs.

$$\text{dollar amount per day} \times \text{number of days} = \text{policy coverage or benefit amount}$$

Premiums on long-term care policies will probably increase. Insurance companies may raise the premiums on their policies but only if they increase the premiums on all policies. *No individual can*

Insurance companies may increase your premium on their long-term care policies, but only if they increase premiums for all policies in that class.

be singled out for a rate increase, regardless of the number of claims they've filed.

When companies increase their premiums, it does not mean they will increase policy benefits.

Partnership plans

What is the Kansas Partnership for Long-Term Care?

The Long-Term Care Partnership program is a public/private cooperative program that allows states to be designated as Partnership states under the Deficit Reduction Act of 2005. Insurance policies must meet the state and federal Partnership requirements.

People who purchase qualifying long-term care policies, after depleting their insurance benefits, may still qualify for Medicaid, provided they meet all other Medicaid eligibility criteria.

For most people, the benefits of their private Partnership insurance policy will provide all the care they will ever need. But, because of the unique asset protection feature of this program, you won't have to impoverish yourself if you run out of insurance benefits and still need care: Protected assets are not considered in determining Medicaid eligibility and estate recovery.

Who benefits?

The initiative benefits consumers by protecting their assets for their own use. Insurance companies benefit because the initiative encourages the private funding of long-term care, and the state benefits because Medicaid dollars are saved when Kansans fund their long-term care needs with private insurance.

Asset protection

The Long-Term Care Partnership program provides dollar-for-dollar asset protection. Each dollar that your Partnership policy pays out in benefits entitles you to keep a dollar of your assets if you ever need to apply for Medicaid services. For example, a person with a \$100,000 policy could keep \$100,000 in assets when applying for Medicaid. Without such a policy, a person would have to spend down all but \$2,000 in assets before applying for Medicaid.

Partnership plans provide dollar-for-dollar asset protection should you ever need to apply for Medicaid.

Qualified plans

Partnership-qualified policies must be tax-qualified, contain certain consumer protection provisions and provide inflation protection. Policies are available from licensed insurance professionals.

To qualify for Partnership benefits, long-term care insurance policies must have been purchased on or after April 1, 2007. Consumers who purchased policies prior to that date should contact their insurance carrier to see if their policies qualify.

People who purchase Partnership-qualifying long-term care policies may still qualify for Medicaid after depleting their insurance benefits, provided they meet all other Medicaid-eligibility criteria.

You can find more information about Partnership plans, as well as a link to companies with approved Partnership endorsements, at www.ksinsurance.org/ltc.



Partnership - qualified policies must be tax-qualified, contain certain consumer protection provisions and provide inflation protection.

If you already have a long-term care policy, check with your insurance carrier to find out whether your policy qualifies.

Section II: Long-Term Care Insurance Shopper's Guide

Contact Us:

Kansas Insurance
Department

Sandy Praeger,
*Commissioner of
Insurance*

Consumer Assistance
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ksinsurance.org](mailto:commissioner@ksinsurance.org)

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877-235-3151

Office hours are 8 a.m.
to 5 p.m. weekdays

About this guide

The plans quoted in this shopper's guide are similar, but they aren't identical to each other. Companies were asked to quote a basic plan without optional benefits, such as inflation protection or home health care. It will be important to read an outline of coverage for each policy to determine the specific benefits provided.

Purchase age and premium

Using the comparison charts on the following pages, you can find the approximate premiums for someone your age by looking at the column for the age nearest yours (55, 60, 65, 75, 79). All plans were priced with a daily benefit of \$100.

The rates shown are annual premium amounts. Annual rates may be more if you pay quarterly or by automatic bank draft. Premiums are subject to change.

Design the plan that's right for you

Use the comparison shopping list at the back of this book to help you make an informed buying decision.

Companies shown in each example throughout this section are similar but not identical to each other because long-term care plans aren't standardized. The following examples quote rates for plans with certain benefits. All companies may not offer plans with these specific benefits but might offer similar plans. Not all features of each plan are listed in this guide. To learn all of a plan's details, read the outline of coverage for that policy.

Rate increase history

As a consumer, an important consideration in buying a long-term care policy is whether you can expect your premium to increase. Generally, long-term care premiums are designed to never change. However, this does not mean premiums are guaranteed. If a company pays more claims than expected, the company may need to increase premiums. The following chart shows how long a company has sold long-term care insurance and whether it has ever increased policy rates. You may want to ask your agent about potential rate increases and pay attention to the information provided in the comparison worksheet, particularly if the company has increased rates in the past.

Company name	MARKETING		RATE INCREASES		
	Began nationwide	Began in Kansas	Yes, rates increased elsewhere	Yes, rates increased in Kansas	No rate increase in Kansas
Bankers Life & Casualty Co.	1972	1986	X	X	
Berkshire Life Insurance Co. of America	2004	2004			X
Blue Cross and Blue Shield of Kansas		1989			X
Country Life Insurance Co.	1989	1998	X		X
Genworth Financial	1974	1974	X	X	
Guarantee Trust Life Insurance Co.	1988	2001	X	X	
John Hancock Life Insurance Co.	1987	1988	X	X	
Knights of Columbus	2000	2000			X
Massachusetts Mutual Life Insurance Co.	2000	2000			X
MedAmerica Insurance Co.	1992	1998			X
Mutual of Omaha Insurance Co.	1987	1987	X	X	
New York Life Insurance Co.	1988	1994			X
Northwestern Long Term Care Ins. Co.	1998	1998			X
Physicians Mutual Insurance Co.	1988	1995	X	X	
Prudential Insurance Co. of America	1999	1999			X
State Farm Mutual Automobile Ins. Co.	1997	1997		X	
Transamerica Life Insurance Co.	1987	1987	X	X	
United of Omaha Life Insurance Co.	2005	2005			X

Example A

annual rates

Benefit plan design

- \$100 daily benefit
- 20- to 42-day elimination period (EP)
- Three-year benefit period

Company	Age						Policy form
	EP	55	60	65	75	79	
Bankers Life and Casualty Co.	30	\$752	\$1,047	\$1,533	\$3,899	\$5,727	GR-N640
Berkshire Life Insurance Co. of America	30	\$422	\$598	\$956	\$3,383	\$5,236	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas		N/A	N/A	N/A	N/A	N/A	
Country Life Insurance Co.	30	\$462	\$591	\$893	\$2,391	\$3,300	LTC-520
Genworth Financial*	30	\$413	\$539	\$798	\$2,299	\$3,619	7042Rev
Guarantee Trust Life Insurance Co.	20	\$638	\$828	\$1,094	\$2,393	\$2,996	G0680-KS
John Hancock Life Insurance Co.*	30	\$704	\$971	\$1,407	\$3,985	\$6,194	LTC-03 KS Rev. 6/10
Knights of Columbus***	30	\$338	\$456	\$729	\$2,063	\$2,867	NHC01-KS 1-03
Massachusetts Mutual Life Insurance Co.*	30	\$473	\$652	\$953	\$2,694	\$3,567	MM-501-P-KS
MedAmerica Insurance Co.	30	\$493	\$702	\$1,048	\$2,709	\$3,534	SPL2-336-KS
Mutual of Omaha Insurance Co.*	30	\$790	\$987	\$1,455	\$4,325	\$6,761	LTC09M
New York Life Insurance Co.	20	\$476	\$651	\$965	\$2,468	\$3,577	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	42	\$855	\$1,131	\$1,614	\$4,101	\$5,838	RS.LTC.(0708)
Physicians Mutual Insurance Co.	30	\$558	\$748	\$1,069	\$2,978	\$4,039	P148KS-0508
Prudential Insurance Co. of America *	30	\$873	\$1,101	\$1,614	\$4,784	\$7,288	GRP 113251
State Farm Mutual Automobile Insurance Co. *	30	\$648	\$851	\$1,286	\$3,461	N/A	97060
Transamerica Life Insurance Co.*	30	\$486	\$602	\$848	\$2,234	\$3,426	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	30	\$806	\$1,006	\$1,484	\$4,412	\$6,897	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

*** Fraternal benefit society markets only to members.

Example B

annual rates

Benefit plan design

- \$100 daily benefit
- 84- to 100-day elimination period (EP)
- Three-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	90	\$643	\$895	\$1,310	\$3,333	\$4,895	GR-N640
Berkshire Life Insurance Co. of America	90	\$367	\$520	\$832	\$2,942	\$4,553	BGO1P(04/09)-KS
Blue Cross and Blue Shield of Kansas*	90	\$630	\$841	\$1,213	\$3,893	\$5,122	KS-0001
Country Life Insurance Co.	90	\$395	\$505	\$763	\$2,044	\$2,821	LTC-520
Genworth Financial*	90	\$347	\$451	\$666	\$1,920	\$3,014	7042Rev
Guarantee Trust Life Insurance Co.	100	\$550	\$712	\$939	\$2,050	\$2,565	G0680-KS
John Hancock Life Insurance Co.*	90	\$586	\$810	\$1,772	\$3,321	\$5,162	LTC-03 KS Rev.6/10
Knights of Columbus***	90	\$302	\$407	\$651	\$1,842	\$2,559	NHC01-KS 1-03
Massachusetts Mutual Life Insurance Co.	90	\$394	\$543	\$794	\$2,245	\$2,973	MM-501-P-KS
MedAmerica Insurance Co.	90	\$429	\$611	\$912	\$2,356	\$3,073	SPL2-336-KS
Mutual of Omaha Insurance Co.*	90	\$632	\$789	\$1,164	\$3,460	\$5,409	LTC09M
New York Life Insurance Co.	90	\$326	\$446	\$661	\$1,690	\$2,450	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	84	\$744	\$984	\$1,404	\$3,567	\$5,076	RS.LTC.(0708)
Physicians Mutual Insurance Co.	90	\$477	\$639	\$914	\$2,545	\$3,452	P148KS-0508
Prudential Insurance Co. of America*	90	\$698	\$881	\$1,291	\$3,827	\$5,830	GRP 113251
State Farm Mutual Automobile Insurance Co.*	90	\$540	\$746	\$1,062	\$3,066	N/A	97060
Transamerica Life Insurance Co.*	90	\$399	\$495	\$697	\$1,835	\$2,814	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	90	\$645	\$805	\$1,187	\$3,530	\$5,517	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

*** Fraternal benefit society markets only to members.

Example C

annual rates

Benefit plan design

- \$100 daily benefit
- 20- to 42-day elimination period (EP)
- Five-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	30	\$1,010	\$1,415	\$2,093	\$5,322	\$7,850	GR-N640
Berkshire Life Insurance Co. of America	30	\$576	\$817	\$1,307	\$4,624	\$7,155	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas		N/A	N/A	N/A	N/A	N/A	
Country Life Insurance Co.	30	\$602	\$785	\$1,205	\$3,305	\$4,584	LTC-520
Genworth Financial*	30	\$517	\$721	\$1,006	\$2,932	\$4,692	7042Rev
Guarantee Trust Life Insurance Co.	20	\$725	\$952	\$1,273	\$1,847	\$3,508	G0680-KS
John Hancock Life Insurance Co.*	30	\$904	\$1,239	\$1,775	\$4,956	\$7,567	LTC-03 KS Rev. 6/10
Knights of Columbus***	30	\$421	\$568	\$911	\$2,498	\$3,567	NHC01-KS 1-03
Massachusetts Mutual Life Insurance Co.	30	\$619	\$852	\$1,246	\$3,523	\$4,665	MM-501-P-KS
MedAmerica Insurance Co.	30	\$707	\$1,003	\$1,500	\$3,915	\$5,116	SPL2-336-KS
Mutual of Omaha Insurance Co.*	30	\$1,048	\$1,319	\$1,962	\$5,814	\$9,311	LTC09M
New York Life Insurance Co.	20	\$588	\$800	\$1,183	\$3,000	\$4,351	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.**	42	\$1,032	\$1,365	\$1,959	\$4,965	\$7,035	RS.LTC.(0708)
Physicians Mutual Insurance Co.	30	\$713	\$956	\$1,367	\$3,808	\$5,165	P148KS-0508
Prudential Insurance Co. of America *	30	\$1,015	\$1,280	\$1,877	\$5,563	\$8,474	GRP 113251
State Farm Mutual Automobile Insurance Co. *	30	\$772	\$1,101	\$1,586	\$4,724	N/A	97060
Transamerica Life Insurance Co.*	30	\$626	\$776	\$1,093	\$2,880	\$4,416	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	30	\$1,069	\$1,345	\$2,001	\$5,930	\$9,497	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

** Six-year benefit period includes home health care.

*** Fraternal benefit society markets only to members.

Example D

annual rates

Benefit plan design

- \$100 daily benefit
- 84- to 100-day elimination period (EP)
- Five-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	90	\$863	\$1,210	\$1,789	\$4,549	\$6,709	GR-N640
Berkshire Life Insurance Co. of America	90	\$501	\$710	\$1,136	\$4,021	\$6,222	BGO1P(04/09)-KS
Blue Cross and Blue Shield of Kansas*	90	\$722	\$970	\$1,402	\$4,561	\$5,992	KS-0001
Country Life Insurance Co.	90	\$515	\$671	\$1,030	\$2,824	\$3,918	LTC-520
Genworth Financial*	90	\$429	\$600	\$836	\$2,442	\$3,911	7042Rev
Guarantee Trust Life Insurance Co.	100	\$624	\$818	\$1,092	\$1,583	\$3,003	G0680-KS
John Hancock Life Insurance Co.*	90	\$754	\$1,033	\$1,479	\$4,130	\$6,306	LTC-03 KS Rev. 6/10
Knights of Columbus***	90	\$376	\$507	\$813	\$2,230	\$3,185	NHC01-KS 1-03
Massachusetts Mutual Life Insurance Co.	90	\$516	\$710	\$1,038	\$2,936	\$3,888	MM-501-P-KS
MedAmerica Insurance Co.	90	\$615	\$873	\$1,305	\$3,405	\$4,449	SPL2-336-KS
Mutual of Omaha Insurance Co.*	90	\$839	\$1,055	\$1,569	\$4,651	\$7,449	LTC09M
New York Life Insurance Co.	90	\$403	\$548	\$810	\$2,055	\$2,980	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.**	84	\$987	\$1,188	\$1,704	\$4,317	\$6,117	RS.LTC.(0708)
Physicians Mutual Insurance Co.	90	\$609	\$817	\$1,168	\$3,254	\$4,414	P148KS-0508
Prudential Insurance Co. of America *	90	\$812	\$1,024	\$1,502	\$4,450	\$6,779	GRP 113251
State Farm Mutual Automobile Insurance Co.*	90	\$687	\$980	\$1,411	\$4,172	N/A	97060
Transamerica Life Insurance Co.*	90	\$514	\$638	\$898	\$2,365	\$3,627	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	90	\$855	\$1,076	\$1,601	\$4,744	\$7,598	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

** Six-year benefit period includes home health care.

*** Fraternal benefit society markets only to members.

Example E

annual rates

Benefit plan design

- \$100 daily benefit
- 20- to 42-day elimination period (EP)
- Lifetime benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	30	\$1,333	\$1,876	\$2,760	\$6,933	\$10,107	GR-N640
Berkshire Life Insurance Co. of America	30	\$702	\$996	\$1,593	\$5,639	\$8,726	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas		N/A	N/A	N/A	N/A	N/A	
Country Life Insurance Co.	30	\$826	\$1,088	\$1,686	\$4,742	\$6,623	LTC-520
Genworth Financial*	30	\$721	\$996	\$1,441	\$4,191	\$6,705	7042Rev
Guarantee Trust Life Insurance Co.	20	\$986	\$1,308	\$1,767	\$2,599	\$4,874	G0680-KS
John Hancock Life Insurance Co.*		N/A	N/A	N/A	N/A	N/A	
Knights of Columbus***	30	\$456	\$736	\$1,276	\$3,072	\$4,370	NHC01-KS 1-03
Massachusetts Mutual Life Insurance Co.	30	\$910	\$1,254	\$1,832	\$5,181	\$6,861	MM-501-P-KS
MedAmerica Insurance Co.		N/A	N/A	N/A	N/A	N/A	
Mutual of Omaha Insurance Co.*	30	\$1,577	\$1,984	\$2,971	\$8,553	\$13,627	LTC09M
New York Life Insurance Co.	20	\$806	\$1,095	\$1,612	\$4,079	\$5,893	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	42	\$1,251	\$1,665	\$2,388	\$6,069	\$8,547	RS.LTC.(0708)
Physicians Mutual Insurance Co.	30	\$914	\$1,226	\$1,752	\$4,882	\$6,621	P148KS-0508
Prudential Insurance Co. of America*	30	\$1,492	\$1,881	\$2,759	\$8,177	\$12,457	GRP 113251
State Farm Mutual Automobile Insurance Co.*	30	\$1,032	\$1,466	\$2,115	\$6,148	N/A	97060
Transamerica Life Insurance Co.*	30	\$739	\$1,001	\$1,501	\$4,321	\$6,391	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	30	\$1,608	\$2,024	\$3,030	\$8,724	\$13,899	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

*** Fraternal benefit society markets only to members.

Example F

annual rates

Benefit plan design

- \$100 daily benefit
- 84- to 100-day elimination period (EP)
- Lifetime benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	90	\$1,159	\$1,632	\$2,400	\$6,029	\$8,788	GR-N560
Berkshire Life Insurance Co. of America	90	\$611	\$866	\$1,386	\$4,903	\$7,588	BGO1P(04/09)-KS
Blue Cross and Blue Shield of Kansas		N/A	N/A	N/A	N/A	N/A	
Country Life Insurance Co.	90	\$706	\$930	\$1,441	\$4,053	\$5,660	LTC-520
Genworth Financial*	90	\$600	\$831	\$1,199	\$3,492	\$5,588	7042Rev
Guarantee Trust Life Insurance Co.	100	\$847	\$1,122	\$1,515	\$2,226	\$4,170	G0680-KS
John Hancock Life Insurance Co.*		N/A	N/A	N/A	N/A	N/A	
Knights of Columbus***	90	\$407	\$657	\$1,139	\$2,743	\$3,902	NHC01-KS 1-03
Massachusetts Mutual Life Insurance Co.	90	\$758	\$1,045	\$1,527	\$4,317	\$5,717	MM-501-P-KS
MedAmerica Insurance Co.		N/A	N/A	N/A	N/A	N/A	
Mutual of Omaha Insurance Co.*	90	\$1,261	\$1,587	\$2,377	\$6,842	\$10,902	LTC09M
New York Life Insurance Co.	90	\$552	\$750	\$1,104	\$2,794	\$4,037	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	84	\$1,089	\$1,449	\$2,076	\$5,277	\$7,431	RS.LTC.(0708)
Physicians Mutual Insurance Co.	90	\$781	\$1,048	\$1,498	\$4,172	\$5,659	P148KS-0508
Prudential Insurance Co. of America *	90	\$1,193	\$1,505	\$2,207	\$6,542	\$9,965	GRP 113251
State Farm Mutual Automobile Insurance Co.*	90	\$916	\$1,306	\$1,883	\$5,401	N/A	97060
Transamerica Life Insurance Co.*	90	\$607	\$822	\$1,233	\$3,549	\$5,249	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	90	\$1,287	\$1,619	\$2,424	\$6,979	\$11,120	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

*** Fraternal benefit society markets only to members.

The plans listed on pages 26 - 29 are Partnership plans, meaning they qualify for the Kansas Partnership for Long-Term Care. These plans can help protect your assets should you ever

need to apply for Medicaid.

Some Partnership plans are required to have minimum levels of built-in inflation protection:

- Compound annual inflation protection, if

Partnership plan

Example A annual rates

Benefit plan design

- \$100 daily benefit
- 20- to 42-day elimination period (EP)
- Three-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	30	\$2,690	\$3,111	\$2,816	\$5,956	\$5,727	GR-N640
Berkshire Life Insurance Co. of America	30	\$963	\$1,264	\$1,721	\$4,568	\$5,236	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas		N/A	N/A	N/A	N/A	N/A	
Genworth Financial*	30	\$627	\$855	\$1,240	\$3,073	\$3,619	7042Rev
John Hancock Life Insurance Co.*	30	\$1,383	\$1,694	\$2,178	\$3,985	\$6,194	LTC-03 KS Rev. 6/10
Massachusetts Mutual Life Insurance Co.	30	\$1,151	\$1,450	\$1,896	\$4,246	\$5,419	MM501-P-KS
Mutual of Omaha Insurance Co.*	30	\$1,210	\$1,462	\$2,128	\$5,767	\$6,761	LTC09M
New York Life Insurance Co.	20	\$671	\$864	\$1,225	\$2,887	\$4,024	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	42	\$855	\$1,131	\$1,614	\$4,101	\$5,838	RS.LTC.(0708)
Physicians Mutual Insurance Co.	30	\$1,544	\$1,922	\$1,646	\$4,109	\$4,039	P148KS-0508
Prudential Insurance Co. of America*	30	\$1,378	\$1,709	\$2,314	\$6,228	\$7,288	LTC3
State Farm Mutual Automobile Insurance Co.*	30	\$2,014	\$2,228	\$2,195	\$4,942	\$5,656	97061
Transamerica Life Insurance Co.*	30	\$1,293	\$1,449	\$1,394	\$3,164	\$3,426	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	30	\$1,290	\$1,552	\$2,244	\$5,970	\$6,897	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

issued to a person younger than 61.

- Simple or compound inflation protection, if issued to a person ages 61 to 75.

Inflation protection isn't required for

Partnership plans issued to a person 76 or older.

Read about inflation protection and Partnership plans in Section I of this booklet.

Partnership plan

Example B annual rates

Benefit plan design

- \$100 daily benefit
- 84- to 100-day elimination period (EP)
- Three-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	90	\$2,300	\$2,659	\$2,407	\$5,090	\$4,895	GR-N640
Berkshire Life Insurance Co. of America	90	\$837	\$1,099	\$1,496	\$3,972	\$4,553	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas*	90	\$1,158	\$1,442	\$1,904	\$5,056	\$6,236	KS-0001
Genworth Financial*	90	\$522	\$712	\$1,037	\$2,558	\$3,014	7042Rev
John Hancock Life Insurance Co.*	90	\$1,152	\$1,412	\$1,815	\$3,321	\$5,162	LTC-03 KS Rev. 6/10
Massachusetts Mutual Life Insurance Co.	90	\$959	\$1,209	\$1,580	\$3,538	\$4,516	MM501-P-KS
Mutual of Omaha Insurance Co.*	90	\$968	\$1,170	\$1,702	\$4,614	\$5,409	LTC09M
New York Life Insurance Co.	90	\$459	\$592	\$839	\$1,977	\$2,756	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	84	\$744	\$984	\$1,404	\$3,567	\$5,076	RS.LTC.(0708)
Physicians Mutual Insurance Co.	90	\$1,320	\$1,642	\$1,407	\$3,512	\$3,452	P148KS-0508
Prudential Insurance Co. of America*	90	\$1,102	\$1,367	\$1,851	\$4,983	\$5,830	LTC3
State Farm Mutual Automobile Insurance Co.*	90	\$1,661	\$1,750	\$1,804	\$4,399	\$4,930	97061
Transamerica Life Insurance Co.*	90	\$1,062	\$1,190	\$1,145	\$2,598	\$2,814	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	90	\$1,032	\$1,241	\$1,795	\$4,776	\$5,517	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

Partnership plan

Example C annual rates

Benefit plan design

- \$100 daily benefit
- 20- to 42-day elimination period (EP)
- Five-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	30	\$3,781	\$4,364	\$3,958	\$8,336	\$7,850	GR-N640
Berkshire Life Insurance Co. of America	30	\$1,315	\$1,727	\$2,352	\$6,242	\$7,155	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas		N/A	N/A	N/A	N/A	N/A	
Genworth Financial*	30	\$776	\$1,109	\$1,562	\$4,005	\$4,692	7042Rev
John Hancock Life Insurance Co.*	30	\$1,659	\$2,074	\$2,731	\$4,956	\$7,567	LTC-03 KS Rev. 6/10
Massachusetts Mutual Life Insurance Co.	30	\$1,505	\$1,897	\$2,479	\$5,552	\$7,086	MM501-P-KS
Mutual of Omaha Insurance Co.*	30	\$1,606	\$1,955	\$2,869	\$7,752	\$9,311	LTC09M
New York Life Insurance Co.	20	\$828	\$1,063	\$1,501	\$3,509	\$4,894	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	42	\$1,032	\$1,365	\$1,959	\$4,965	\$7,035	RS.LTC.(0708)
Physicians Mutual Insurance Co.	30	\$1,975	\$2,457	\$2,105	\$5,255	\$5,155	P148KS-0508
Prudential Insurance Co. of America*	30	\$1,602	\$1,987	\$2,691	\$7,242	\$8,474	LTC3
State Farm Mutual Automobile Insurance Co.*	30	\$2,409	\$2,534	\$2,609	\$6,579	\$7,896	97061
Transamerica Life Insurance Co.*	30	\$1,667	\$1,868	\$1,797	\$4,078	\$4,416	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	30	\$1,713	\$2,074	\$3,026	\$8,025	\$9,497	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

Partnership plan

Example D annual rates

Benefit plan design

- \$100 daily benefit
- 84- to 100-day elimination period (EP)
- Five-year benefit period

Company	EP	Age					Policy form
		55	60	65	75	79	
Bankers Life and Casualty Co.	90	\$3,232	\$3,730	\$3,383	\$7,125	\$6,709	GR-N640
Berkshire Life Insurance Co. of America	90	\$1,144	\$1,502	\$2,045	\$5,428	\$6,222	BG01P(04/09)-KS
Blue Cross and Blue Shield of Kansas*	90	\$1,327	\$1,662	\$2,202	\$5,923	\$7,295	KS-0001
Genworth Financial*	90	\$647	\$922	\$1,302	\$3,335	\$3,911	7042Rev
John Hancock Life Insurance Co.*	90	\$1,383	\$1,728	\$2,276	\$4,130	\$6,306	LTC-03 KS Rev. 6/10
Massachusetts Mutual Life Insurance Co.	90	\$1,254	\$1,581	\$2,066	\$4,627	\$5,905	MM501-P-KS
Mutual of Omaha Insurance Co.*	90	\$1,285	\$1,564	\$2,295	\$6,201	\$7,449	LTC09M
New York Life Insurance Co.	90	\$567	\$728	\$1,028	\$2,403	\$3,352	INH-5000(KS)(1001)
Northwestern Long Term Care Insurance Co.*	84	\$987	\$1,188	\$1,704	\$4,317	\$6,117	RS.LTC.(0708)
Physicians Mutual Insurance Co.	90	\$1,688	\$2,100	\$1,799	\$4,491	\$4,414	P148KS-0508
Prudential Insurance Co. of America*	90	\$1,282	\$1,590	\$2,153	\$5,794	\$6,779	LTC3
State Farm Mutual Automobile Insurance Co.*	90	\$2,000	\$2,090	\$2,225	\$5,856	\$6,841	97061
Transamerica Life Insurance Co.*	90	\$1,369	\$1,534	\$1,476	\$3,349	\$3,627	TLC 1-FP (KS) 1001
United of Omaha Life Insurance Co.*	90	\$1,370	\$1,659	\$2,421	\$6,420	\$7,598	LTC09U

EP — elimination period (days)

* Basic plan includes home health care.

Company Customer Service Phone Numbers

Bankers Life and Casualty Co.	800-231-9150
Berkshire Life Insurance Co. of America	800-819-2468
Blue Cross and Blue Shield of Kansas	888-445-1901
Country Life Insurance Co.	866-856-4760
Genworth Financial	888-436-9678
Guarantee Trust Life Insurance Co.	800-338-7452
John Hancock Life Insurance Co.	800-377-7311
Knights of Columbus	800-214-9825
Massachusetts Mutual Life Insurance Co.	800-272-2216
MedAmerica Insurance Co.	800-544-0327
Mutual of Omaha Insurance Co.	800-775-1000
New York Life Insurance Co.	800-224-4582
Northwestern Long Term Care Insurance Co.	877-582-6582
Physicians Mutual Insurance Co.	800-645-4300
Prudential Insurance Co. of America	800-732-0416
State Farm Mutual Automobile Insurance Co.	866-855-1212
Transamerica Life Insurance Co.	877-532-4910
United of Omaha Life Insurance Co.	800-775-1000

Section III: Shopping Tips and Other Resources

Consumer protections in Kansas

Free look

All long-term care policies must provide a “free look” period of at least 30 days from purchase of the policy. Be sure your policy says what you think it does. If you have questions, ask a trusted friend or your attorney, or call the Kansas Insurance Department. For a full refund, return the policy before the 30 days are up. Using certified mail is a good idea but not required.

Outline of coverage

During the sale of a long-term care insurance plan, the agent or company is required to provide you with an outline of coverage. Long-term care policies are difficult to compare. Use the long-term care shopping list at the end of this book to help you compare plans.

Third-party notification

This provision allows you to name another person (third party) who would be notified by the insurance company if the policy is about to lapse (terminate) because of nonpayment of the premium. The other person can be a relative, a friend or a professional (a lawyer or accountant, for example). This third party would then have a set period to pay the overdue premium. This provision is especially helpful for individuals who may be suffering from a mental incapacity and have forgotten to pay the premium at the time when they may need the coverage the most.

Inflation protection

Kansas insurance law requires companies to show you an inflation benefit. You may reject or accept the offer. It’s important to know that there is an additional cost to include inflation protection.

Guaranteed renewable

Long-term care insurance policies sold in Kansas must be “guaranteed renewable”, meaning the company may not change policy provisions or refuse to renew as long as premiums are paid. Guaranteed renewable does not guarantee you the same premium, but premiums can only be raised for entire classes of policyholders.

There is no grace period on paying your premium. List someone - a nursing home administrator, attorney, financial planner or neighborhood friend - for the company to call if the policy is about to lapse because of nonpayment of the premium.

“Guaranteed renewable” means a policy must be allowed to continue in force as long as the premiums are paid. It does not mean you are guaranteed renewal at the same premium.

No prior hospitalization required

Policies sold today are prohibited from requiring a hospital stay prior to care in a nursing home.

Shopping tips

- **If your income and assets qualify you for Medicaid, you do not need long-term care insurance.**
- **Don't wait until retirement** to check on long-term care coverage through your employer's group insurance plan.
- **Talk to several agents and companies.** Compare policies. Policies have different coverage and costs. Companies also offer different services.
- **Learn about the agent and company.** Check with the Kansas Insurance Department to make sure that any agent or company you are considering is licensed in Kansas. Keep the agent's and company's name, address and telephone number. Through the KID website, you can find out how many complaints have been filed about a company or how many premium rate increases the company has had.
- **Take your time.** Do not be pressured into buying a policy. Principled sales people will not rush you.
- **Never buy a policy or sign something you do not understand.** Ask questions. Discuss the policy with a trusted friend, relative or adviser before you buy.
- **Never sign a blank application.** Answer all questions truthfully. An insurer can deny a claim or cancel a policy if an answer is incomplete or inaccurate.
- **When buying by mail,** see if the company has a local agent or a toll-free number you can call with questions.
- **Make checks payable to the insurance company,** never to the agent. **Never pay cash.** Pay by check or money order and insist the agent give you a receipt. Most companies require that you receive a receipt.

- **Don't pay premiums for more than one year at a time.** If there is no discount for an annual premium, it may be to your advantage to pay by the quarter or by automatic bank draft.
- **Don't buy multiple policies.** Generally, it is not necessary to purchase several policies to have enough coverage. One good policy is enough.
- **Replacing an old policy:** Before you buy a new policy, make sure it is better than the one you already have. Even if your agent has switched companies, carefully consider any changes. If you decide to switch, make sure your new application is accepted and the new policy is issued before you cancel the old policy. **If you cancel a policy in the middle of its term, most companies will not return any premiums you have paid.**

Kansas Life and Health Insurance Guaranty Association

This association was created by Kansas law to protect Kansas policyholders against financial failure of an insurance company. The association provides a safety net of protection to Kansas consumers and is designed to reduce consumer losses if an insurance company becomes insolvent.

All life and health companies licensed to do business in Kansas must belong to the association. Companies are assessed fees based on the amount of premium written in the state. These fees are used to make claim payments to consumers. In essence, financially sound companies pay for losses of insolvent companies by providing limited benefits through the association.

Kansas law defines which contracts are eligible for guaranty fund coverage and the limitations that apply. Long-term care policies are considered health policies. Claims payable under the guaranty association are subject to benefit maximums. The guaranty association is never required to pay more than the amount of the contractual obligation of the insolvent insurance company. In order for you to be protected by the Kansas guaranty fund, the insurance company must be licensed to do business in Kansas.

Health insurance benefits on any one person, regardless of the number of policies, are limited to a maximum of \$100,000.

If you switch to a new policy...

make sure your new application is accepted and the policy is issued before you cancel the old policy.

The health guaranty association provides a safety net of protection for consumers if an insurance company goes bankrupt. Benefits are limited to \$100,000 per person.

Before buying, ask your agent:

- What types of care are covered and in what setting? *(page 11)*
- How much is the daily benefit amount and for how many years will it be paid? *(pages 8-10)*
- How long is the elimination period? *(pages 8-9)*
- Does the policy have a pre-existing condition waiting period? If so, for how long. *(page 7, 14)*
- What inflation protection is offered? *(pages 12-13)*
- Is the policy tax qualified? *(pages 6-7)*

Covered insurance companies are required to attach a disclaimer to their policies to notify policyholders of the limits of protection provided in the event the insurer is declared insolvent.

Resource Directory

There are many resources available to you as a Kansas consumer. This directory is intended to provide you with a quick reference guide. Please keep in mind that KID is prepared to assist you with any insurance question or problem. However, if you're unsure of whom to call, please call our department and we will guide you from there.

Senior Health Insurance Counseling for Kansas (SHICK)

800-860-5260

www.agingkansas.org/SHICK/shick_index.html

SHICK provides statewide insurance counseling through a network of more than 300 volunteers. You can receive personal assistance from trained volunteers. They will assist you with questions about Medicare, Medicare supplement insurance and long-term care policies. All services are free. Call the toll-free number for more information.

Kansas Department on Aging

Topeka, Kansas

800-432-3535

www.agingkansas.org

KDOA provides many programs and services for Kansas seniors. Services include, but are not limited to, nutrition and meal programs, home health care, homemaker services, housing, transportation, respite care, support groups, case management, and information on long-term care. Services are available through 11 area agencies on aging.

Medicare claims service

By phone: 800-MEDICARE (1-800-633-4227)

TTY: 877-486-2048

On the web: www.medicare.gov

Kansas Foundation for Medical Care (KFMC)

Topeka, Kansas

785-273-2552 or 800-432-0407

www.kfmc.org

KFMC provides independent medical review and monitoring of Medicare payments. You have a right to proper diagnosis and treatment under Medicare. KFMC will act on your behalf to protect your rights, especially relating to hospital stays and treatment. Their services are free to Medicare beneficiaries.

Other important information

Client Assessment, Referral and Evaluation (CARE)

Everyone seeking nursing facility care must receive a CARE assessment before admission.

- The assessment is free.
- It takes about an hour.
- It provides an evaluation of your health and ability to perform normal daily activities.
- The evaluation is used to determine kinds of services you need and where to find those services.
- Your local Area Agency on Aging will help you obtain the assessment.

Selecting a nursing facility

When you are faced with selecting a nursing facility, take the following steps:

- Ask to see the most recent state survey report. Nursing facilities are required by law to let you see a copy of the most recent state survey report. The report will contain information on areas of care where the facilities did not meet the state and federal regulations and standards.
- Visit the nursing facility at least twice: one scheduled and one random visit.
- Collect as much information as possible. A good resource on the kinds of questions to ask is a free publication from Medicare, "The Guide to Choosing a Nursing Home." To get a copy, call 800-MEDICARE (633-4227) or visit www.medicare.gov and select "Publications."

Nursing home comparisons

www.medicare.gov

Under "Facilities and Doctors," choose "Compare Nursing Homes"

- Locate nursing homes in your area
- Review current inspection reports

Shopping list

Comparison worksheet

Policy features and benefits	Company 1	Company 2	Company 3	Current policy
Price: How much would you pay each month or year?				
Daily benefit limits: How much will the policy pay for each day of care in a nursing home? for home health care? for adult day care?				
Benefit period: How many years will the policy pay for nursing home care? for home health care?				
Elimination period: How many days will you wait before the policy starts paying?				
What is the maximum lifetime benefit for nursing home care? for home health care?				
What qualifies you for benefits: <ul style="list-style-type: none"> • Doctor's certification? • Inability to perform activities of daily living (ADLs)? • Prior hospital stay (home care)? • Prior hospital stay (nursing home)? 				

Shopping list: Comparison worksheet

Policy features and benefits	Company 1	Company 2	Company 3	Current policy
Inflation protection: How will the benefit keep up with inflation? What will be the daily benefit 10 years from now?				
Home health care coverage?				
Pre-existing condition waiting period?				
Health screening: Can a company reject your application because of poor health?				
Exclusions: What isn't covered (other than standard exclusions allowed by law)?				
Miscellaneous benefits:				
• Waiver of premium				
• Nonforfeiture				
• Discount when husband and wife buy together				
• Other				
The company:				
• How long has it been selling long-term care insurance?				
• Is it licensed to sell in Kansas?				
• Do you know anyone who has long-term care insurance with this company?				

Kansas Insurance Department



Sandy Praeger,
Commissioner of Insurance

Consumer Assistance Hotline: 800-432-2484

Email: commissioner@ksinsurance.org

Website: www.ksinsurance.org

Office: 420 S.W. 9th St.

Topeka, KS 66612-1603

Phone: 785-296-3071

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