

# CAREER **DEVELOPMENT** PROGRAM PRODUCT



MutualCare® Solutions Long-term Care Insurance



As an independent contractor, the ultimate decision regarding your participation in these programs is yours and yours alone. Neither Mutual of Omaha nor its representatives can dictate the time or place and manner by which you sell its products and acquire the knowledge and skills necessary to effectively sell its products. Therefore, the Career Development Program is voluntary. However, due to the complexity and sophistication of the companies' products, you must be able to demonstrate a mastery of the material contained in this program to be able to offer these products to prospective clients.

This program has been developed to offer a structured methodology which has proven to be a highly effective way to master the knowledge and skills to sell our products. In addition, it is our judgment that this method provides an efficient approach to achieve the required mastery and, therefore, we recommend it.

Discussion and follow-up from your manager does not change the voluntary nature of your participation, but only serves to assist you in mastering the material and enables the companies to fulfill its public obligation to ensure that all representatives are fully trained and knowledgeable.

© September 2018, Mutual of Omaha Insurance Company, publisher. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopy, recording or otherwise, without the prior written consent of the publisher.

**MUTUALCARE® SOLUTIONS**  
**LONG-TERM CARE INSURANCE**  
**Table of Contents**

Overview .....	1
UNIT 1 – Long-term Care .....	3
UNIT 2 – Marketing Long-term Care Coverage .....	9
Review Questions .....	15
UNIT 3 – Medicare and Medicaid .....	17
UNIT 4 – Long-term Care Partnership Plans .....	23
Review Questions .....	29
UNIT 5 – Evaluating Your Client’s Long-term Care Needs.....	31
UNIT 6 – Long-term Care Tax Clarifications and Consumer Protection .....	39
Review Questions .....	45
UNIT 7 – MutualCare® Solutions.....	47
UNIT 8 – Provisions, Exclusions and Other Features.....	67
UNIT 9 – Underwriting .....	73
Review Questions .....	117
UNIT 10 – Sales Support, Marketing and Prospecting Materials .....	119
UNIT 11 – Review Questions Answer Key.....	127



# LONG-TERM CARE

**OBJECTIVES** Upon completion of this session, you will be able to:

- Describe the benefits and provisions of the MutualCare® Solutions long-term care insurance plans
- Identify how tax-qualified coverage is written and how benefits differ from nonqualified plans
- Describe the underwriting rules and calculate premiums
- Describe the riders available with these plans
- Explain the level of benefits available with MutualCare® Secure Solution and MutualCare® Custom Solution and how to qualify for these benefits
- Identify the target markets and their long-term care needs and characteristics

**MATERIALS** MutualCare® Solutions Long-term Care Insurance module  
MutualCare® Solutions Product and Underwriting Guide  
Marketing Materials  
Education Materials  
Prospecting materials  
Winflex and MutualCare Solutions Software and Mobile Quote Tool on Sales Professional Access.

**EVALUATION** Manager Review

**TIME** 2 hours

- TASKS**
1. Preview objectives and materials with your manager. 10 min.
  2. Read the materials in Forms & Materials on SPA. 30 min.
  3. Practice the long-term care sales presentation. 60 min.
  4. Complete the Long-Term Care MutualCare Solutions course 60 min.
  5. Complete the Progress Checklist. 5 min.

**NOTE:** Successful completion of the MutualCare® Solutions module demonstrates your knowledge of this product. You may use the information in this module as a resource prior to completing the MutualCare® Solutions exam.



# UNIT 1

## LONG-TERM CARE

**INTRODUCTION** Americans are more aware than ever of the impact of health care costs. The fact is, the country is spending over \$100 billion a year for long-term care services. The problem is that at the present time, practically no one is buying long-term care insurance to help cover those expenses.

That's because most Americans don't know much about the product. They also have misconceptions about what it costs and about the probability that they will need long-term care before they die.

Many of you may have a relative or friend who has required nursing home confinement and know first-hand the costs involved. Costs vary widely across the United States. For example, a semiprivate room in a nursing home ranges from \$4,563 a month in Texas to \$11,076 per month in New York City.<sup>1</sup> The cost of nursing home care in a specific area can be determined by calling several local facilities. Alternatives to confinement, such as home health care, can also cost thousands of dollars a year.

Who pays for these expenses? In most cases, the patient pays from his or her personal assets – and then Medicaid pays after the patient has been impoverished.

Once people are educated about the tremendous need and affordability of long-term care insurance, the sales possibilities are endless.

Consider the following:

- 6.3 million Americans currently need long-term care services<sup>2</sup>
- 15 million Americans are expected to need long-term care services in 2050<sup>2</sup>
- 57.5 percent of women and 46.7 percent of men turning age 65 who will need long-term care in their lifetimes<sup>2</sup>

<sup>1</sup>Mutual of Omaha 2015 Cost of Care Survey

<sup>2</sup>75 Must-Know Statistics About Long-Term Care, [www.moningstar.com/articles](http://www.moningstar.com/articles).

**ENVIRONMENT** The long-term care environment is affected by several factors that include:

- Suppliers of long-term care services
- Government financing
- Legal/regulatory
- Cultural

**Suppliers of Long-term Care Services** Long-term care can include medical, social, housing, transportation or other supportive services. These services can be provided by unpaid family members or friends (informal caregivers) or by specially trained and/or licensed professionals (formal caregivers). The care can be provided in the home, in special community-based programs or in institutional settings. It may involve one or more of the following:

- Adult Day Care
- Home Health Care
- Respite Care
- Assisted Living Facility Care
- Custodial Nursing Care
- Intermediate Nursing Care
- Skilled Nursing Care
- Homemaker and Home-Care Aide Services
- Hospice Care
- Continuing Care Retirement Communities

Adult Day Care Adult day care refers to daytime programs for adults that may include a variety of social, medical and personal services. Adult day care centers may be operated by hospitals, nursing homes, local governments, religious or other civic groups. For many caregivers who must work during the day, but want to keep a family member at home, adult day care can be very helpful.

Home Health Care Home health care refers to services provided in the home. These services may include personal care, skilled nursing care, speech therapy, social services or the services of a home health aide. Care can be provided several times a day, a week . . . or as often as needed.

Respite Care Respite care provides family caregivers relief or respite. Respite care allows the caregiver to have some time off by paying for temporary, formal care services in an approved facility.



<u>Assisted Living Facility Care</u>	Assisted living is a middle-ground for persons who need daily assistance, but don't need full-time skilled nursing care. Assisted living facilities provide varying levels of personalized care delivered in a homelike setting. Examples are licensed rest home and adult foster care facilities.
<u>Custodial Nursing Care</u>	Custodial nursing care is care that meets the personal needs of an individual and can include help with the essential activities of daily living, such as bathing, dressing, eating or taking medicine. Custodial nursing care may be provided by persons without medical skills, such as nurses' aides.
<u>Intermediate Nursing Care</u>	Intermediate nursing care is for people who don't need skilled round-the-clock nursing care. It is occasional nursing and rehabilitative care that can only be performed by and under the supervision of skilled medical personnel.
<u>Skilled Nursing Care</u>	Skilled nursing care is for people who need 24-hour-a-day care. It is care which must be performed under the supervision of skilled medical personnel. It consists of nursing and rehabilitative services administered by registered nurses, licensed practical nurses or physical therapists and must be under a licensed physician's supervision.
<u>Homemaker and Home-Care Aide Services</u>	Homemaker and home-care aide services are usually fee-for-service activities, including household chores, shopping, cooking and some personal assistance. Those are often provided by informal family caregivers and can be invaluable in assisting the elderly to remain at home.
<u>Hospice Care</u>	Hospice care offers comprehensive medical and supportive social, emotional and spiritual services to the terminally ill and their families. Hospice programs are often paid for by private and governmental insurance programs. The hospice team is composed of professionals and volunteers who coordinate an individualized plan for each patient.
<u>Continuing Care Retirement Communities (CCRCs)</u>	A continuing care retirement community (CCRC) is a self-sufficient residential community designed for retirees. One important component of CCRCs is long-term care. A resident enters into a contractual relationship with the community that can last a lifetime.  Typically, a CCRC offers residents an apartment, health-care services, social services, recreational activities and planned social activities.

The amount of health-care services provided, including long-term care services, depends on a contractual agreement the resident makes with the CCRC.

Substantial Assistance Substantial assistance means either hands-on assistance or standby assistance:

- Hands-on assistance is the physical assistance of another person without which an individual would be unable to perform the activities of daily living
- Standby assistance means the presence of another person, within arm's reach, who is necessary to prevent, by physical intervention, injury while an individual is performing the activities of daily living

Substantial Supervision Substantial supervision means continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another person that is necessary to protect an individual from threats to his or her health or safety (including, but not limited to, such threats as may result from wandering).

**SUMMARY** Flexibility is a key need of the senior market. People need the means to finance a wide variety of services from limited, unskilled assistance at home to comprehensive custodial and medical assistance in a residential setting. Long-term care insurance must provide benefits for a wide continuum of care.

**NOTE:** Make a phone call to your local Area Agency on Aging to get information on the types and cost of care available in your community.

**Government Financing** The federal and state governments pay the largest share of long-term care costs. This funding comes from a variety of sources, including Medicare, Medicaid and the Veteran Affairs. In addition, Partnership programs in certain states are attempts to reduce reliance on Medicaid as a funding source.

Federal and state governments are actively pursuing shifting the funding of long-term care to the private sector. This provides an opportunity for Mutual to become a source of funding with our long-term care insurance products.

**Legal/Regulatory** Both federal and state regulations impact long-term care insurance.

On the federal level the passage of H.R. 3103, The Health Insurance Portability and Accountability Act of 1996, has clarified the tax treatment of long-term care insurance premiums and benefits. It classifies long-term care like health insurance and provides for tax-qualified long-term care plan premiums to be tax deductible (subject to certain limits). It also defines a tax-qualified plan as a long-term care policy which meets specific requirements. The benefits received from a tax-qualified plan would not be subject to income tax.

States also have specific long-term care regulations. These regulations add additional requirements to policies and marketing materials.

**Cultural** As American society evolves and changes, cultural influences will have an impact on the needs and expectations of the population with regard to how long-term care will be provided. Cultural influences include the:

- Increase of women working outside the home which reduces the number of primary caregivers who traditionally are women
- Increase in divorce, smaller family size and family members being scattered in different cities which results in less reliance on family solutions to meet long-term care needs
- “Sandwich generation” who have elderly parents and children in college, and who are juggling multiple financial priorities for retirement, education and care for parents

As the percentage of people over age 50 grows, the needs for long-term care services will increase.

**SUMMARY** All of these environmental factors show that the senior age market today is quite diverse. More and more products and services will be developed and directed to this market. Part of this development will include an increasing number of people and facilities providing long-term care health services to assist people who need help with activities of daily living.

Planning for this need for long-term health services is essential and long-term care insurance can meet this need.



## UNIT 2

# MARKETING LONG-TERM CARE COVERAGE

The need for long-term services is significant and is expected to increase as the elderly population increases. Billions of dollars are spent each year on long-term care, including both home health care and nursing home care. Private funds pay a large portion of the bill. The growing number of individuals in the elderly population and the desire to preserve assets is creating a growing market for long-term care insurance products.

**NUMBER OF ELDERLY** A large number of baby boomers are reaching age 65. Also, more people will reach advanced age (85 and older) due to declining mortality rates. By age 65, U.S. males in average health have a 40 percent chance of living to age 85 and females more than a 50 percent chance.<sup>1</sup> The increase in the number of elderly persons is expected to increase the need for long-term care services.

**COST OF LONG-TERM CARE** The cost of long-term care varies by area; as a national average, a year in a nursing home (semiprivate room) is estimated to cost over \$86,764. In some regions the cost may be twice as much. While home health care is less expensive, it can easily cost \$58,916 per year.<sup>2</sup> Historically, a small portion of the cost of long-term care has been paid by insurance.

**MAKEUP OF DISABLED AMERICANS** Long-term confined care and home health care needs are not limited to the elderly. There are individuals in all age groups who have the need for long-term care.

Long-term services and supports (LTSS) for the elderly and younger populations with disabilities are a significant component of national health care spending. In 2012, spending for these services was \$219.9 billion (9.3 percent of all U.S. personal health care spending), almost two-thirds paid by the federal-state Medicaid program.<sup>3</sup>

<sup>1</sup>From an American Academy of Actuaries webinar titled “Lifetime Income – Risks and Solutions” sponsored by the Academy’s Lifetime Income Risk Task Force. Presented March 7, 2012

<sup>2</sup>Mutual of Omaha’s Cost of Care Survey, 2015

<sup>3</sup><http://www.nhpf.org/library/details.cfm/2783>

Traditionally, long-term care has been marketed primarily to older persons with the idea that they may need nursing home or home health care due to health issues associated with aging. However, it is important to note that long-term care coverage purchased at a young age protects insurability. Purchasing early also provides coverage in cases where accidents or illnesses may create the need for long-term confined care or home health care at a younger age.

**WHO PAYS FOR LONG-TERM CARE EXPENSES?**

- Long-term care is financed with both private resources and public programs
- Private resources include out-of-pocket spending and private insurance
- Public programs primarily include Medicaid and Medicare and other government agencies

**Home Health Care**

Ninety percent of Americans want to age in place, and home is the preferred method of health care among the disabled, elderly and chronically ill. More than 5 million Americans received home health care annually.<sup>1</sup>

<sup>1</sup>[www.nahc.org/consumers-information](http://www.nahc.org/consumers-information).

**WHO BUYS LONG-TERM CARE INSURANCE?**

According to the American Association for Long-Term Care Insurance<sup>1</sup> annual study, the vast majority of buyers of long-term care insurance are married. According to the report, some 54 percent of purchases involved couples covering both lives. Nearly one-fourth (24 percent) involved couples or partners where only one individual was covered with 22 percent of policies purchased by single individuals.

According to a survey we conducted on long-term care insurance buyers, this is what a typical buyer looks like:

- Female, Caucasian, age 55 to 64
- Married with adult children
- Working in a white-collar profession; not yet retired
- College educated
- Living in a metropolitan area with a population of at least 250,000
- A homeowner with 11 or more years in the current residence
- Affluent; upper middle class with a household income of \$100,000 or more

**Reasons for Purchasing  
Long-term Care Insurance**

<b>Reason</b>	<b>Percentage of Responses</b>
To protect my assets	23.6%
Security/Peace of Mind	18.1%
To cover the cost of LTC services I might need in the future	17.4%
I don't want to be a financial burden to my family	17.4%
I know I'll need it	16.4%
Known someone who had trouble paying for LTC services	13.9%
I know I'm getting older	11.4%
Don't want my children to have to take care of me	10.2%
To make sure I'm taken care of in later years	9.7%
Don't have loved ones living close enough to take care of me	7.9%
I want to be able to choose the type of care I get	7.4%
The high cost of LTC services	7.2%
Planning for the future/retirement	5.5%
Don't know	0.5%



The following were given as the biggest considerations in policyholders' decisions to purchase long-term care insurance:

<b>Considerations in Decision to Purchase Long-Term Care Insurance</b>	<b>Percentage of Responses</b>
Planning for retirement	52.1%
You or your spouse retired	36.2%
A loved one needed long-term care	34.7%
Change in financial situation	17.4%
Change in marital status	9.2%
Birth of a child or grandchild	6.5%
An adult child was married	4.2%

As shown below, the most common ages range for purchases of long-term care insurance was 55 to 64, followed by ages 65+.

<b>What age were you when you purchased long-term care insurance?</b>	<b>Percentage of Responses</b>
18 to 24	0.5%
25 to 34	0.7%
35 to 44	2.2%
45 to 54	12.7%
55 to 64	55.1%
65+	27.8%
Don't know	1.0%

**Reasons for Not Purchasing**

The reasons cited most frequently for nonpurchase of long-term care insurance:

- Coverage is too costly
- Concern that a policy bought today would not cover the types of services needed in the future
- Feeling that there were too many conditions that had to be met before someone could receive benefits
- Waiting for a better policy before deciding whether or not to buy
- Lack of confidence in insurance company (that benefits will be paid as stated in the policy)
- Confusion about which policy is right for them

**SUMMARY**

Long-term care costs of up to \$90,000 or more a year would quickly deplete the savings of most elderly Americans. The potential costs involved are significant and most individuals will not be able to finance them without insurance. The market for long-term care insurance is growing as the number of people approaching age 65 increases. This market needs to be educated about the costs and how to finance them through insurance.

The following unit explains the role of Medicare and Medicaid in financing long-term care. It will become clear that long-term care insurance is a comprehensive solution to meet the consumer's objective of financing long-term care while protecting family resources.

## REVIEW QUESTIONS

### UNITS 1 AND 2

1. Long-term care services include all of the following EXCEPT:
  - (a) Are affected by government benefits and government regulations
  - (b) Include home health care, nursing home care, hospice care and family caregivers
  - (c) Are affecting an increasing number of Americans
  - (d) Are affected by government benefits but are unaffected by government regulations
  
2. \_\_\_\_\_ refers to daytime programs for adults that may include a variety of social, medical and personal services.
  - (a) Assisted living for adults
  - (b) Adult day care
  - (a) Recreational services
  - (b) Intermediate adult nursing care
  
3. Facilities that provide varying levels of personalized care delivered in a homelike setting, such as licensed rest homes and adult foster care facilities, are considered to be:
  - (a) Custodial nursing care
  - (b) Home health care
  - (c) Assisted living facilities
  - (d) Skilled nursing homes
  
4. \_\_\_\_\_ is a self-sufficient residential community designed for retirees, where the amount of health care services provided, including long-term care, depends on a contractual agreement with the residential community.
  - (a) Continuing care retirement community
  - (b) Assisted living facility
  - (c) Intermediate nursing care
  - (d) Adult day care center
  
5. Cultural influences on how long-term care will be provided include all of the following EXCEPT:
  - (a) Reduction of primary caregivers since more women work outside the home
  - (b) “Sandwich generation” who have elderly parents and children in college who are juggling multiple financial priorities
  - (c) Less reliance on family solutions due to divorce, smaller family size and family members living in different cities
  - (d) Family members living in close proximity to one another
  
6. All of the following pertain to the cost of long-term care, EXCEPT:
  - (a) Private funds pay a small portion of the bill
  - (b) Cost of long-term care varies by region
  - (c) Home health care is less expensive than nursing home care
  - (d) A year in a nursing home is estimated to cost \$30,000



## UNIT 3

# MEDICARE AND MEDICAID

**MEDICARE** Many people assume that Medicare or Medicaid will pay for all their long-term care needs. Unfortunately this isn't true.

Medicare pays for long-term care in a hospital and for some skilled at-home care but only for short-term, unstable conditions and not for the ongoing assistance that many elderly people need.

**Nursing Home Confinement** To qualify for nursing home confinement, the following requirements must be met:

- Prior hospitalization of at least three days is required
- Must be a skilled nursing home facility
- Facility must be Medicare certified (less than one-half are Medicare certified) and entered within 30 days after leaving the hospital.
- Patient must require a skilled level of care

Benefits in a skilled nursing facility are paid as follows:

- First 20 days
  - Patient pays: Nothing
  - Medicare pays: Full cost
- Next 80 days
  - Patient pays: up to \$164.50 a day\*
  - Medicare pays: Full cost of remaining charges
- After 100 days
  - Patient pays: Full cost
  - Medicare pays: Nothing

**Home Health Services** Medicare pays for home health services when confinement takes place at home. Home health care services include such things as part-time nursing, physical therapy, medical and social services.

\*In 2017; subject to annual increases

To qualify for home health care services under Medicare, the following requirements must be met:

- Home health care agency must be Medicare certified (less than one-half are certified)
- Patient must require some skilled care on a regular basis
- Patient must be “homebound” (unable to leave the house without assistance)

Benefits for home health care services are paid as follows:

- Patient pays: Nothing
- Medicare pays: Full cost (durable medical equipment is limited to 80 percent)

**MEDICAID** Medicaid is entirely different from Medicare. While Medicare is medical coverage for all elderly based on age and certain disability standards, Medicaid has generally been an assistance program for low-income people.

Medicaid is a joint federal/state program that finances less than one-half of long-term care costs. Medicaid provides benefits to low-income individuals who must qualify for welfare before being eligible for benefits. All Medicaid applicants must meet state income and asset requirements. Medicaid patients must settle for facilities which accept Medicaid benefits. Nursing homes are more reluctant to accept Medicaid because the reimbursement amount is lower than that normally received by private pay patients.

**ASSET TEST** To qualify for Medicaid an individual must meet the Asset Test. According to Long-Term Care.gov, all “countable” assets must be depleted to \$2,000<sup>1</sup> (in most states). All assets are “countable” EXCEPT:

- Life insurance with a face value of less than \$1,500
- Personal property (clothing, furniture, jewelry, etc.), up to reasonable limits
- Burial funds up to \$1,500
- Burial space

<sup>1</sup>Long-Term Care.gov, 2017

- An automobile, within certain limits
- A home, provided it is the individual's principal place of residence\*

**NOTE:** These requirements generally apply to all states. However state variations do exist. Consult your local Area Agency on Aging.

**INCOME TEST** Individuals must also meet an income test to qualify for Medicaid. States fall into two general categories:

- In most states, there's no upper income limit for Medicaid eligibility unless income exceeds the cost of the nursing home. Medicaid takes all income (except a \$40 monthly allowance) to pay the nursing home
- The remaining states have "income caps" to determine nursing home eligibility. Individuals with income over the limit do not qualify for Medicaid

**MARRIED PERSONS** Married persons qualify for Medicaid under the Spousal Impoverishment Provision. The Spousal Impoverishment Provision applies when one member of a couple enters a nursing facility or other medical institution and is expected to remain there for at least 90 days. The provision includes the following:

- Upon nursing home entry, all countable assets held by either spouse are totaled and divided equally
- The spouse at home can keep no more than \$115,920 in 2013; (the states', spousal standard ranges from \$23,184 to \$115,920 in 2013). All assets must be spent down to \$115,920 for the spouse at home and down to \$2,000 for the nursing home spouse
- The spouse at home can keep income of at least 133 percent of the federal poverty level
- Once resource eligibility is determined, any resources belonging to the community spouse are no longer considered available to the confined spouse

\*Medicaid can put a lien on the house to recoup its costs when the home is sold. Single persons face foreclosure if the house is unoccupied and if there is no likelihood of returning home.

In addition, the Deficit Reduction Act of 2005 makes individuals with more than \$536,000<sup>1</sup> in home equity ineligible for Medicaid benefits (states may raise this threshold to \$750,000).

<sup>1</sup>Long-Term Care.gov, 2017

Let's review two examples on how "spend down" applies.

### **SCENARIO 1 – SINGLE PERSON**

Fund Account	(value \$100,000)
House	(value \$90,000)
Home Furnishings	(value \$20,000)
Car	(value \$4,000)
Vacation Home	(value \$60,000)

The dollar value of "countable" assets under Medicaid is \$160,000. This amount represents the value of the vacation home and fund account. The remaining assets are not countable, with one possible exception: the house may be subject to a Medicaid lien.

Medicaid requires that countable assets be spent down to \$2,000. Therefore, in this example, \$158,000 must be spent before this individual can qualify for Medicaid. (In some states, persons must also meet an income requirement.)

### **SCENARIO 2 – MARRIED COUPLE**

Stocks and Bonds	(value \$400,000)
House	(value \$150,000)
Car	(value \$15,000)

In this case, the couple has \$400,000 in countable assets (the place of residence and one car are not countable as long as there is one spouse living at home, regardless of value). When one spouse enters the nursing home, the \$400,000 is divided equally between the two people. The spouse at home must spend the \$200,000 down to \$115,920\* and the nursing home spouse must spend down to \$2,000 in order to qualify for benefits.

**NOTE:** Income rules may apply in some states.

#### **60-MONTH TRANSFER RULE**

Individuals who give their assets away to children or other individuals do not immediately qualify for Medicaid benefits. Any transfer of assets for less than fair market value within 60 months of application to Medicaid disqualifies the individual for Medicaid benefits.

\*May vary by state



The length of time an individual must wait before qualifying for Medicaid after giving away assets is determined by the following formula.

$$\frac{\text{Amount of Assets Given Away}}{\text{Average Cost of Nursing Home in Local Community}} = \text{Number of Months* Before Being Eligible for Medicaid}$$

Example:

$$\frac{\$75,000}{\$3,000 \text{ a month}} = 25\text{-month waiting period}$$

The Deficit Budget Act of 2005 moved the start of the penalty period from the date of the asset transfer to the date of the asset transfer for Medicaid. This can result in an average delay of three months for Medicaid eligibility.

**MEDICAID PENALTIES** The Health Insurance Portability and Accountability Act passed in August 1996 altered federal Medicaid laws by imposing criminal penalties for those who transfer assets and later apply for federal health insurance assistance for the poor. It stipulates that those who violate Medicaid rules can be criminally prosecuted and face up to one year in jail and a \$10,000 fine. The practice of Medicaid planning has come to a virtual standstill because the law is so vaguely written that individuals would never know what they are doing constitutes an illegal act.

**SUMMARY** Neither Medicare nor Medicaid are viable options to fund long-term costs. Medicare offers limited services with limited payments and Medicaid requires individuals to wipe out savings to access benefits.

\*60 months maximum



## UNIT 4

# LONG-TERM CARE PARTNERSHIP PLANS

**INTRODUCTION** In 2006, President Bush signed the Deficit Reduction Act of 2005, which enables states to create LTCi partnership programs. These alliances between the states and private insurance companies encourage people who otherwise might rely on Medicaid for their LTC needs to purchase partnership-qualified policies. The goal is to help stabilize Medicaid by delaying people's use of the program.

Insurance companies voluntarily agree to participate in a state's partnership program by offering LTCi policies that meet specific requirements:

- The policy must be tax-qualified
- The policy must offer inflation protection based on specific age brackets at the time of purchase

These requirements are discussed later in this unit.

**BACKGROUND** The Long-Term Care Insurance Partnership Program began in the 1980s to encourage the purchase of private long-term care insurance. Sponsored by the Robert Wood Johnson Foundation, it provides an alternative to spending down or transferring assets by forming a partnership between Medicaid and private long-term care insurance.

Partnerships were developed basically to encourage people who might otherwise turn to Medicaid to finance their long-term care by purchasing insurance.

One of the main benefits of Long-term Care Partnership plans is that they allow individuals who deplete their long-term care insurance benefits to retain a specified amount of assets and still qualify for Medicaid, provided they meet all other Medicaid eligibility requirements.

**DEFICIT REDUCTION ACT** With the passage of the Deficit Reduction Act (DRA) in 2005:

- Congress allowed all states (based upon state approval) to adopt partnerships and
- Discontinued estate recovery of Partnership-protected assets

**HOW PARTNERSHIP PLANS WORK**

Partnership plans work between state government and private insurance companies for the purpose of assisting individuals in planning for their long-term care needs.

Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance policies that meet certain state and federal requirements.

Participating states work with insurers to create insurance policies that are more affordable and provide better protection against impoverishment than those commonly offered. Once private insurance benefits are exhausted, special Medicaid eligibility rules are applied if additional coverage is necessary.

Consumers select coverage equivalent to the amount of assets they want to protect. Once the private policy is exhausted, individuals can continue their long-term care coverage under Medicaid if they meet Medicaid eligibility requirements (their assets, up to an amount equal to the policy benefits paid, will not be looked at by Medicaid).

**Dollar for Dollar Model**

A “Qualified State Partnership” is an approved state plan amendment that offers dollar-for-dollar asset protection. Under the dollar-for-dollar model, for every dollar the long-term care policy pays in benefits, a dollar of assets is protected from the spend-down requirements for Medicaid eligibility.

Example: Someone who purchases a long-term care insurance policy with a maximum benefit coverage equaling \$50,000 would have protection for \$50,000 worth of assets if ever in need of Medicaid coverage.

The examples on the following chart show the benefits a partnership policy can provide. In the first example, the policy insures for \$100,000.

In the second example – If the policyholder assets upon application for Medicaid are \$100,000, the required asset spend-down before the policyholder is eligible for Medicaid would be \$0.

Amount Policy Insures for	Policyholder Assets Upon Application for Medicaid	Required Asset Spend-Down Before Policyholder is Eligible for Medicaid
\$100,000	\$100,000	\$0
\$ 50,000	\$100,000	\$50,000
No Partnership Policy	\$100,000	\$100,000

**Partnership-Qualified Policy Example**

The following is an example of a Partnership-qualified LTC policy and how it works with Medicaid Asset Protection.

Age of Policyholder	With a Partnership-Qualified LTC Insurance Policy
Mary, Single Mother Age 56	<ul style="list-style-type: none"> <li>➤ Employed with current retirement assets of \$500,000</li> <li>➤ Seeking to preserve a portion of her estate for her son</li> <li>➤ Mary purchases a Partnership-qualified LTC insurance policy</li> </ul>
At Age 79	<ul style="list-style-type: none"> <li>➤ Current retirement assets now at \$600,000</li> <li>➤ Mary needs long-term care; satisfies the benefit eligibility requirements and goes on claim</li> <li>➤ She pays for her care with her LTC insurance policy</li> </ul>
At Age 84	<ul style="list-style-type: none"> <li>➤ Retirement assets at \$600,000</li> <li>➤ Home equity value less than \$500,000</li> <li>➤ Policy is exhausted after paying out \$450,000 in benefits – This amount, plus her state’s resource allowance, represents the increased amount of assets she will be able to protect when she seeks to qualify for Medicaid</li> <li>➤ Mary still requires LTC services and applies for Medicaid Asset Protection</li> <li>➤ She is required to pay her costs for LTC from her personal assets and income</li> </ul>
At Age 85	<ul style="list-style-type: none"> <li>➤ Mary is only required to spend down her assets to \$460,000 (\$450,000 plus a \$10,000 resource allowance)*</li> <li>➤ She now qualifies for Medicaid, which starts covering her LTC costs</li> <li>➤ Mary’s \$460,000 in assets are protected, but she is still required to contribute her personal income toward her total LTC costs</li> </ul>
At Age 87	<ul style="list-style-type: none"> <li>➤ Mary passes away</li> <li>➤ Retirement assets of \$460,000 are preserved for her son</li> </ul>

**APPLYING FOR MEDICAID**

In many states, policyowners do not need to exhaust their policy before applying for Medicaid. They can apply for Medicaid at any time.

**LONG-TERM CARE**

Long-Term Care Partnership Policies, as stated in the Deficit Reduction Act (DRA) must meet specified criteria, including:

- Federal Tax Qualification (policies must be tax-qualified)
- Identified Consumer Protections, and
- Inflation Protection Provisions

As with all long-term care policies, consumer protections must be in place for partnership policies. The law also requires states to use the “dollar for dollar” model of asset protection.

\*May vary by state

**DRA REQUIREMENTS** The Deficit Reduction Act of 2005 (DRA) states that a “Qualified Partnership Policy” must meet these conditions:

- The Insured person must be a resident of the Partnership state when the coverage first became effective
- The policy must meet the IRS definition of a “qualified long-term care insurance policy”
- The policy must meet specific rules of the National Association of Insurance Commissioners (NAIC) Model Regulations and Model Act
- The policy issue effective date cannot be earlier than the effective date of the State Plan Amendment (SPA)

**Inflation Protection Requirement** The DRA requires that long-term care partnership policies offer inflation protection if sold to an individual under age 76. The requirement varies depending on the age of the Insured at the time of purchase.

Here is a summary of the inflation protection requirement:

The compound annual inflation protection is required for purchasers below age 61. However, states can determine the percentage rates (3 percent, 5 percent, etc.) that qualify.

**NOTE:** Partnership policies in the original four states (CA, CT, IN and NY) include 5 percent compound annual inflation protection. Under the DRA, new states offering Partnership policies have less stringent rules to follow.

- Ages 61 to 76 years old: Some level of inflation protection is required
- Over 76 years old: Inflation protection is optional

**NOTE:** The requirement to offer 5 percent lifetime compound inflation protection still applies to all ages.

**Key Point:** If an individual purchases a Partnership policy and later decides to remove the Inflation Protection feature, the policy will no longer qualify as a Partnership policy.

**EXCHANGES AND REPLACEMENTS** After a state implements a partnership program, carriers may make an exchange offer to existing Insureds subject to and/or as required by state regulations or according to Company policy.

Minimum requirements for exchanges and replacements include:

- The state must have an approved partnership program
- The policyowner must be a resident of the state which has a partnership program
- The policyowner must have tax qualified coverage (on new policy)
- The policy effective date must be as described by state regulation or company policy

**PARTNERSHIP TRAINING REQUIREMENTS**

Insurance companies are responsible for ensuring that their producers have the proper long-term care partnership training, and include the following requirements:

- Insurers must maintain records verifying that producers who sell, solicit or negotiate long-term care insurance products have received the required training
- Insurers must make these records available to the state insurance department

**SUITABILITY**

All states require insurance companies and agents to make a reasonable effort to determine the suitability of a recommended sale or replacement.

For the most part, the same suitability requirements that apply to long-term care insurance policies also apply to partnership long-term care policies, with some additional considerations.

There are potential limitations regarding the suitability of partnership policies as they relate to Medicaid requirements. These situations depend on the client's particular financial situation.

**MEDICAID AND PARTNERSHIP POLICIES**

It may not be advantageous for individuals with a very modest financial situation to purchase a partnership policy, particularly if their assets are not large enough for them to benefit significantly from Medicaid asset protection.

**Important Points to Keep in Mind**

Here are some important points to keep in mind regarding LTC Partnership policies:

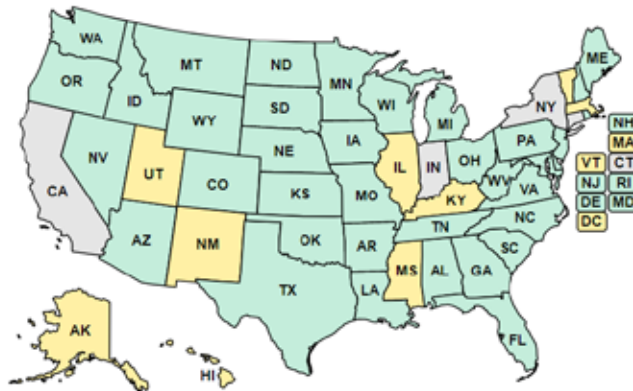
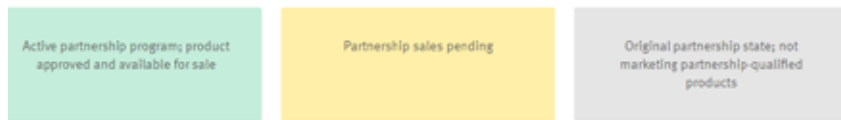
- Long-term Care Partnership policies affect a person's assets only, not income
- They protect the amount of a person's assets equal only to the long-term care benefits that have been received. That is, if all of the insurance benefits have been exhausted, and the individual applies for Medicaid, she will still need to spend down any assets above this amount
- Medicaid coverage is not automatic. Individuals who use up their long-term care partnership policy benefits must apply for Medicaid in order to be considered for Medicaid benefits
- Medicaid acceptance is not guaranteed (i.e, a person's income may exceed the Medicaid eligibility limits). Even if the individual does qualify, the majority of the person's income may need to be spent on long-term care

- Medicaid asset and income eligibility limits may be more restrictive in the future, which would make it more difficult for individuals to qualify
- If the Insured moves to another state, Medicaid asset protection may not be available there. The new state may not have a partnership program, or it might not have reciprocity with the old state. In addition, the benefits and eligibility of the new state’s Medicaid program may be different from the old state

**SUMMARY** Based on state approval, the Deficit Reduction Act of 2005 enables states to create LTCi partnership programs. The alliances between the states and private insurance companies encourage people who otherwise might rely on Medicaid for the LTC needs to purchase partnership-qualified LTCi policies.

### State Partnership Availability

This map shows where MutualCare Solutions (LTC13) is available for partnership-qualified sales.





## **REVIEW QUESTIONS UNITS 3 AND 4**

1. All of the following are true regarding how Medicare pays for home health service EXCEPT:
  - (a) When skilled care is needed on a regular basis
  - (b) For an unlimited benefit period
  - (c) Provided by Medicare certified home health care agencies
  - (d) Provided in a nursing home facility
  
2. Which of the following may be considered a “countable asset” under Medicaid?
  - (a) Burial funds up to \$1,500
  - (b) An automobile, within certain limits
  - (c) Life insurance with a face value of \$3,000
  - (d) Burial space
  
3. All of the following are true statements concerning Long-term Care Partnership requirements, EXCEPT:
  - (a) The policy must be tax-qualified
  - (b) Insurance companies must ensure that their producers have the required Long-term Care Partnership training
  - (c) The policy must contain inflation protection provisions
  - (d) The policy must contain a spouse shared benefit provision
  
4. All of the following are important points to keep in mind regarding Long-term Care Partnership policies EXCEPT:
  - (a) Long-term Care Partnership policies affect a person’s assets only, not income
  - (b) Once the individual applies, Medicaid coverage is automatic
  - (c) Even if the individual does qualify for Medicaid, the majority of the person’s income may need to be spent on long-term care
  - (d) If the Insured moves to another state, Medicaid asset protection may not be available there
  
5. Which of the following is not a true statement about Medicaid?
  - (a) Medicaid is a joint federal/state program that finances 75 percent of long-term care costs
  - (b) Medicaid is entirely different from Medicare
  - (c) Medicaid has generally been an assistance program for low-income people
  - (d) All Medicaid applicants must meet state income and asset requirements



## UNIT 5

# EVALUATING YOUR CLIENT'S LONG-TERM CARE NEEDS

**INTRODUCTION** The need for long-term care protection is becoming more critical now that more people are living longer with chronic conditions. With the increasing costs of long-term care, individuals are realizing the need for long-term care insurance.

**WHEN IS INSURANCE THE BEST OPTION?** When determining the appropriateness of long-term care insurance for an individual, evaluate four key areas:

- Health Risk
- Family Support
- Asset Assessment
- The Consequences of Doing Nothing

Fact find to get a complete picture of your client's situation and needs. This is a crucial step in providing service for any client.

**HEALTH RISK** Help the prospect understand the role of health conditions and their relationship to the need for long-term care. Make the following statement:

*A number of health conditions can create a need for long-term care services. Some of these conditions are Alzheimer's Disease, Parkinson's Disease, strokes, etc. The combination of various health conditions can also require an individual to need long-term care.*

**ASK:** Do you have family members who have these or similar conditions?

**DISCUSS:** Develop an understanding about the need for long-term care planning by discussing the circumstances of friends or family members who have needed long-term care.

**FAMILY SUPPORT** Evaluate the prospect's family support system to arrive at a logical solution.

- ASK:** What are your current living arrangements?  
How is your spouse's health?  
Are your children within one hour travel distance?  
How willing are you to accept help from others?  
Are you willing to move in with children, relatives and friends?  
What would you do if your family was no longer able to take care of you?

**DISCUSS:** Use answers to these questions to determine the potential for needing formalized care.

**Asset Assessment** Ask the following questions to help uncover a need for insurance.

**ASK:** What are your assets?

List them:

CDs	\$ _____
Stocks	\$ _____
Bonds	\$ _____
Other Assets (not including your home)	\$ _____
TOTAL	\$ _____

**ASK:** Are you worried about losing them?

**DISCUSS:** The probability of needing care.

**ASK:** Do you want to protect any of your assets?

**DISCUSS:** The Medicaid spend down amount.

**ASK:** How much do you want to protect?

**DISCUSS:** Present insurance coverage to fully protect the risk.

**Suitability of Partnership Policies** As you learned in Unit 4, for the most part, the same suitability requirements that apply to long-term care insurance policies also apply to Long-term Care Partnership policies, with some additional considerations.

There are potential limitations regarding the suitability of partnership policies as they relate to Medicaid requirements. These situations depend on the client's particular financial situation.

For example, it may not be advantageous for individuals with a very modest financial situation to purchase a partnership policy, particularly if their assets are not large enough for them to benefit significantly from Medicaid asset protection.

The purpose of long-term care insurance is to protect assets. Since the cost of one year of care averages over \$76,000 for a semiprivate room, individuals with less than this amount will become impoverished quite rapidly. They will quickly qualify for Medicaid.

Therefore purchasing long-term care insurance is recommended for individuals with more than \$70,000 in liquid assets because they will have a greater potential for asset depletion.

**CONSEQUENCES OF DOING NOTHING**

Failure to plan for long-term care financing can result in the following consequences should the need arise for extended care:

- **No asset protection**  
Retirement savings which took a lifetime to accumulate would be reduced to poverty level.
- **Asset transfer**  
Giving away assets to avoid losing them could result in disqualification from Medicaid or fines and jail.
- **Loss of independence**  
All control over the type of care desired and the selection of a care facility would be lost.

**SUITABILITY AND COMPLIANCE ISSUES PERSONAL WORKSHEET**

The **Long-term Care Insurance Personal Worksheet\*** is designed to help the agent and the client determine whether the purchase of long-term care insurance is appropriate. The form asks questions about the assets and income of the client and provides guidelines to help determine suitability. This form must be submitted with all applications.

\*included with application packet

**THINGS YOU SHOULD KNOW**

**Things You Should Know Before You Buy Long-term Care Insurance** is a page of information, included with the application, that must be given to all applicants. This piece of information gives a very brief explanation of long-term care, Medicare and Medicaid, and it directs applicants to ask for and read the National Association of Insurance Commissioners’ “Shopper’s Guide to Long-term Care Insurance.” You must provide all applicants with a copy of the shopper’s guide.

**PURCHASING LONG-TERM CARE INSURANCE**

Once the decision to purchase insurance is reached, what is the right amount? The Personal Worksheet states that you may not be able to afford long-term care coverage if the premiums will be more than 7 percent of your income. For middle-income clients, 5 percent of the client’s income is considered a starting point as a reasonable amount of premium to pay for long-term care insurance.

The LTC Product and Underwriting Guide can be found on Sales Professional Access at [www.mutualofomaha.com/broker](http://www.mutualofomaha.com/broker).

**SELECTING THE MONTHLY BENEFIT AMOUNT**

Pay close attention to the cost of care in your community. The national average monthly cost for a semiprivate room in a nursing home is \$7,230.

Match the policy’s daily room benefit as closely as possible to the cost of care in the area where the applicant will seek long-term care.

**SUPPLEMENTING EXISTING RETIREMENT INCOME**

To determine the appropriate long-term care daily room benefit amount, calculate the difference between retirement income (after expenses) and the cost of care. Review the following illustration.

	<b>Monthly Income</b>	
	(Self)	(Spouse)
Earned Income	\$0	\$0
Retirement Pension	\$2,000	\$0
Interest Income	\$2,000	\$1,500
Social Security	\$2,000	\$1,500
Other	<u>\$0</u>	<u>\$0</u>
Totals	\$6,000	\$3,000

In this example, all retirement income for the household is totaled.

As shown below, all expenses for the household during retirement are tabulated.

### Monthly Expenses

Mortgage/Rent	\$1,200
Utilities	\$400
Insurance (Car, Medical, Home)	\$400
Taxes	\$300
Food	\$300
Car	\$500
Clothing	\$200
Other	<u>\$600</u>
	<b>\$3,900</b>

Next, subtract income from expenses to arrive at the amount available for long-term care expenses.

\$9,000	Total Monthly Income	
- 3,900	Total Monthly Expense	
\$5,100	Net Available Long-term Care	

**NOTE:** For clients purchasing a Long-term Care Partnership policy, you should consider selecting a maximum benefit in an amount equal to the assets they want to protect.

**Example:** Someone who purchases a long-term care insurance policy with a maximum benefit coverage equaling \$50,000 would have protection for \$50,000 worth of assets if ever in need of Medicaid coverage.

Record the monthly cost of a nursing home. Use the cost for your area of the country.

Average monthly Long-term Care Costs	\$7,230
--------------------------------------	---------

Subtract the cost of care from the monthly amount available to pay for care. Write the coverage for both spouses using this amount.

$$\$7,230 \text{ (LTC Costs)} - \$5,100 \text{ (Net Available)} = \$2,130 \text{ (Total Monthly Need)}$$

### **INFLATION PROTECTION**

You may recommend to have your prospects apply for inflation protection so their policy benefits keep up with the cost of care. Buying a \$3,000 monthly room benefit plan today, at age 65, would result in a coverage shortfall if care is not needed until age 85.

The reasonable solution is to purchase inflation protection. To ensure that the policy provides the necessary amount of benefit, that meets the clients needs review all available options.

Inflation protection is recommended for individuals age 70 and younger because of the length of time between purchase and probable need for care. Individuals over age 70 may want to consider self-insuring against the coverage shortfall because the amount of risk is smaller.

**Inflation Protection for Partnership Policies**

The Deficit Reduction Act of 2005 requires that long-term care partnership policies offer inflation protection if sold to an individual under age 76. The specific requirement varies depending on the age of the Insured at the time of purchase.

**WHEN'S THE BEST TIME TO BUY LONG-TERM CARE INSURANCE?**

The best time to purchase long-term care insurance is during preretirement years. The cost of coverage at age 50 versus age 70 is very significant.

The chart below shows the value a long-term care insurance policy can have if your client should need long-term care services. The amounts are based on a three-year benefit period, 90-day elimination period, 30 percent cash benefit, partnership, 3 percent inflation, 100 percent ALF reduction, 100 percent HHC reduction, no discount, cash benefit at \$900 monthly.

Value of Traditional LTC						
	Age	Annual Premium	# Number of yrs till Claim Age 80	Premium Paid till claim Age 80	Cost of Care-Home Health Care Assumed 3% inflation rate	Policy Benefit 3yrs w/3% inflation
Male	50	\$1,078.96	30	\$32,368.80	\$153,534.14	\$262,141.00
Female	50	\$1,715.35	30	\$51,550.50	\$153,534.14	\$262,141.00

**FINANCING**

Most people have emergency money. If they have taken the steps to insure the major risks (casualty, life, hospitalization insurance), then the only risk to that money is long-term care costs.



The money built up over a lifetime can never be replaced. It makes sense to use some of the interest from that money to pay the long-term care premium.

**Example:**

Total Principal	\$100,000
Interest	<u>    x 3%</u>
Annual Income	\$ 3,000
Annual Premiums (age 65, husband and wife)	<u>- \$2,796</u>
Remaining Income	\$204

Investing the interest can protect assets and independence.

**MUTUAL OF  
OMAHA'S  
LONG-TERM  
CARE POLICIES**

Mutual of Omaha's MutualCare® Solutions long-term care insurance plans are designed to provide consumers with the freedom to make their own choices when the need arises for long-term care services.

Unit 7 describes how these plans work to protect assets and provide consumers with flexibility to meet their needs. First, let's take a look at some important long-term care tax clarifications and consumer protection information which are covered in the following unit.



## UNIT 6

# LONG-TERM CARE TAX CLARIFICATIONS AND CONSUMER PROTECTION

### HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

Passage of the Health Insurance Portability and Accountability Act, which became effective Jan. 1, 1997, has reshaped how the federal government will view long-term care insurance premiums and long-term care expenses, and it has cleared the way for long-term care insurance growth.

This law includes a provision clarifying that long-term care insurance is to be given the same tax treatment as other accident and health coverage. In addition, the bill includes language to protect insurer long-term care reserves.

Basically, this law includes very favorable long-term care tax clarification and standard provisions. Some of the main provisions are listed below:

- It requires specific definitions of a chronically ill individual and qualified long-term care services for which benefits can be paid
- For tax purposes, long-term care insurance is treated like accident and health insurance
- It treats long-term care services and premiums as medical expenses (except if paid to a relative). See Allowable Deductions on the following page

The law allows employees to exclude from income the value of employer contributions under IRC Sec. 106, but does not allow inclusion of long-term care insurance in a cafeteria plan.

**“Activities of Daily Living”** are the following basic activities required for the applicant to remain independent.

- **“Eating”**: feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously
- **“Toileting”**: getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene
- **“Transferring”**: moving into and out of a bed, chair or wheelchair

- **“Bathing”**: washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower
- **“Dressing”**: putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs
- **“Continence”**: the ability to maintain control of bowel and bladder function or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag)

To qualify for long-term care, the law requires that the applicant must either:

- Be unable to perform at least two of the six activities of daily living (ADLs) for a period of at least 90 days due to a loss of functional capacity, which must be certified by a licensed health care practitioner within the preceding 12 months OR
- Need continual supervision due to a cognitive impairment

**MEDICARE  
COORDINATION**

The law requires coordination with Medicare (i.e., expenses will not be paid or reimbursed for services that are reimbursable under Medicare or would be reimbursable, including the application of a deductible or coinsurance amount).

It allows:

- Long-term care riders (for life insurance policies) for the chronically ill, and includes long-term care riders in the accelerated death benefit provisions
- Tax-favored treatment for existing policies which complied with state standards at the time of issue, if issued prior to 1/1/97, and allows the tax-free exchange of existing long-term contracts for new qualified long-term contracts until 1998
- Selected consumer protection provisions of the January 1993 NAIC Model Act and Regulations and includes the mandatory offer of nonforfeiture benefits

**ALLOWABLE  
DEDUCTIONS**

If a long-term care plan is tax qualified, the individual may include the premium (up to certain limits) as a medical expense which can be itemized under Schedule A and deductible to the extent that this premium, in combination with other itemized medical expenses, exceeds 7.5 percent of earnings. More importantly, benefits received from a tax-qualified plan are not subject to income tax (although at the current time, benefits received from nontax-qualified policies are not taxed either).

**TAX-QUALIFIED STATUS**

Since the passage of HIPAA regulations in 1996 and the creation of a new category of coverage – tax-qualified policies – individual long-term care sales have experienced double-digit growth. Tax-qualified policies, which provide tax-free benefits, also provide:

- Benefits for a range of qualified long-term care services
- Flexibility to accommodate advances in care and
- Standardization of benefit triggers (measures of impairment that must be reached before benefits are provided)

For example, for a policy to be considered tax-qualified, the activities of daily living benefit trigger and the cognitive impairment trigger must meet specific criteria.

Please see the Shopper’s Guide for additional long-term care tax-qualified information.

**Tax-qualified Advantages**

Given the advantages of nontax-qualified coverage and the minimal potential for a tax deduction under tax-qualified coverage, why would a consumer want to purchase tax-qualified coverage? The majority of long-term care insurance sales are tax-qualified because:

- Future changes in the tax laws could have a favorable impact on tax-qualified coverage only
- Tax-qualified benefits are tax free
- Tax-qualified coverage costs less than nontax-qualified coverage
- Partnership policies must be tax-qualified coverage

**LONG-TERM CARE POLICIES ISSUED BEFORE 1/1/1997**

The Health Insurance Portability and Accountability Act of 1996 grandfathered all long-term care policies issued before Jan.1, 1997. Therefore, all long-term care policies issued prior to Dec. 31, 1996, were considered to be tax-qualified beginning with the 1997 tax year.

Tax consequences of long-term care policies issued after Jan.1, 1997, which are not tax-qualified are enumerated below.

If the plan is not tax qualified, then the premiums are not tax deductible. The law, however, does not address the tax consequences of benefits paid under a nonqualified plan. Therefore, until technical corrections are released, it is unknown whether benefits paid under a nonqualified plan are subject to income tax.

**COMPARISON CHART** The following chart summarizes the major differences between tax-qualified and nontax-qualified plans.

Tax-qualified	Nontax-qualified
Benefits are guaranteed to be tax free.	The Treasury Department has not ruled on the taxability of benefits. Currently, benefits are considered to be tax free; however, the IRS could change the rules.
Premiums can be deducted as a medical expense as long as the Insured itemizes deductions. Medical expenses, including long-term care premiums, must exceed 7.5% of adjusted gross income.	There is no tax deduction for premiums paid.
To qualify to receive benefits, individuals must need hands-on or stand-by assistance in performing at least two ADLs or need continual supervision due to a severe cognitive impairment.	To qualify to receive benefits, individuals must need hands-on or stand-by assistance in performing at least two ADLs or need continual supervision due to a severe cognitive impairment or if physician certifies and care coordinator verifies the Insured needs care due to a medical necessity (can vary by company).
A health practitioner must certify Insured will need long-term care services for at least 90 days.	Certification that Insured will need long-term care services for at least 90 days is not required.
Tax-qualified plans are less expensive.	Nontax-qualified plans are more expensive.

**REMINDER:** As stated in the Deficit Reduction Act (DRA), all Long-term Care Partnership policies must be tax-qualified.

**SUMMARY** The Health Insurance Portability and Accountability Act provides that long-term care insurance is to be given the same tax treatment as other accident and health coverage. If a long-term care plan is tax qualified, individuals may include the premium (up to certain limits) as a medical expense, and it can be eligible for a tax deduction.

Mutual of Omaha offers MutualCare® Solutions as a tax-qualified plan.





## REVIEW QUESTIONS

### UNITS 5 AND 6

1. To be eligible for benefits under a tax-qualified plan, the Insured must:
  - (a) Be chronically ill for a period of six months
  - (b) Be certified as unable to perform at least two of the six activities of daily living
  - (c) Have no family caregiver available
  - (d) Have a medical alert system available
  
2. The majority of long-term care insurance sales are tax-qualified plans for all of the following reasons EXCEPT:
  - (a) Future changes in the tax laws could have a favorable impact on tax-qualified coverage only
  - (b) Tax-qualified benefits are tax free
  - (c) Tax-qualified coverage costs less than nontax-qualified coverage
  - (d) Tax-qualified coverage is more expensive than nontax-qualified coverage
  
3. The Long-term Care Personal Worksheet:
  - (a) Asks questions about the client's assets and income to help determine suitability and must be submitted with all applications
  - (b) Is an optional tool to help the agent sell long-term care insurance
  - (c) Is submitted to Medicare for all long-term care claims
  - (d) Uses Social Security and other income information to determine the appropriate daily benefit amount
  
4. Tax-qualified long-term care and nontax-qualified long-term care plans differ in all of the following ways EXCEPT:
  - (a) Benefits are guaranteed tax-free under tax-qualified plans
  - (b) Premiums may be deductible on tax-qualified plans
  - (c) Tax-qualified plans have lower premiums
  - (d) Tax-qualified plans have higher premiums
  
5. Activities of daily living include all of the following EXCEPT:
  - (a) Eating
  - (b) Toileting
  - (c) Transferring
  - (d) Shopping
  
6. In order for any benefits to be paid under a **tax-qualified** policy, all of the following requirements must be met EXCEPT:
  - (a) The policy must be in force
  - (b) The Insured must require hands-on or stand-by assistance to perform at least two of the six activities of daily living (ADLs) or need continual supervision due to a severe cognitive impairment
  - (c) A licensed health care practitioner must certify that he or she will need care for at least 60 days
  - (d) A licensed health care practitioner certify that he or she will need care for at least 90 days



# UNIT 7

## MUTUALCARE® SOLUTIONS

**INTRODUCTION** The MutualCare® Solutions portfolio is designed to encourage Insureds to share in the cost of their long-term care. The products are easy to understand, easy to explain, are customized to meet the client's long-term care insurance needs, and allow individuals to protect a portion of their retirement assets.

Both MutualCare® Solutions plans, MutualCare® Secure Solution and MutualCare® Custom Solution, are tax qualified and Partnership-qualified.\*

**MutualCare®  
Secure Solution** MutualCare® Secure Solution is a traditional long-term care policy that allows people to plan ahead for their long-term care needs. By adding this measure of security to their retirement portfolio, they can be assured that a portion of their long-term care expenses will be covered. MutualCare® Secure Solution is perfect for:

- Clients who are looking for a more basic policy and want the security of knowing they have some measure of asset protection and
- Agents who like a product with traditional benefits

**MutualCare®  
Custom Solution** MutualCare® Custom Solution offers a different approach to long-term care insurance. It provides a total benefit amount, which gives people the flexibility to manage their long-term care expenses and control how the dollars in their long-term care "account" are spent.

**BENEFITS ELIGIBILITY** In order for any benefits to be paid under a MutualCare® Solutions policy, specific requirements must be met:

- The policy must be in force
- The Insured must be chronically ill, which means to:
  - Require hands-on or stand-by assistance to perform at least two of the six activities of daily living (ADLs) for at least 90 days OR
  - Need continual supervision due to a severe cognitive impairment

\*Based on state approval

AND

- A licensed health care practitioner must certify that the Insured will need care for at least 90 days due to loss of functional capacity
- Recommended services must be part of a plan of care prescribed by a licensed health care practitioner and
- Benefits are payable for qualified long-term care services only

**NOTE:** Chronically ill means that the Insured has been certified by a licensed health care practitioner as:

- Unable to perform, without substantial assistance from another person, at least two activities of daily living (ADLs) for a period that is expected to last at least 90 consecutive days due to a loss of functional capacity or
- Require substantial supervision to protect himself or herself from threats to health and safety due to a severe cognitive impairment

Severe cognitive impairment means a deterioration or loss in intellectual capacity that is measured by clinical evidence and standardized tests which reliably measure impairment in:

- Short- and long-term memory
- Orientation to people, places or time and
- Deductive or abstract reasoning

Such deterioration or loss must place the Insured of jeopardy of harming himself, herself or others, therefore requiring substantial supervision by another person. Alzheimer's disease is a form of cognitive impairment.

Refer to Unit 8, Provisions, Exclusions and Other Features, for details on **Limitations or Conditions on Eligibility for Benefits.**

**MUTUALCARE® SOLUTIONS  
BUILT-IN FEATURES**

Many of the features are identical for both MutualCare® Solutions plans, with a few differences that are noted throughout this unit. Shown on the following pages are the details for:

- Issue Ages
- Benefit Limits
- Policy Limits
- Elimination Periods
- Waiver of Premium Benefit, and
- Cash Benefit

**Issue Ages** Applicants between the ages of 30 and 79 may apply for both plans, subject to age limitations for certain options.

**Benefit Limits** The MutualCare® Solutions Maximum Monthly Benefit (MMB) ranges from a minimum of \$1,500 a month to a maximum of \$10,000 a month.

For underwriting classes I and II, the MMB cannot exceed \$5,000.

**NOTE:** For the Custom Solution product, amounts may range between 1 percent and 4 percent of the policy limit. For example, the monthly benefit on a \$300,000 pool of dollars would range from \$3,000 to \$10,000.

**Policy Limits\***  
MutualCare®  
Secure Solution With MutualCare® Secure Solution, the benefit multiplier times the maximum monthly benefit determines the policy limit. The client may select from the following benefit multiplier options:

- 24 months
- 36 months
- 48 month, or
- 60 months

For example, if the benefit multiplier is 36 months and the selected maximum monthly benefit is \$1,500, the policy limit would be 36 x \$1,500, or \$54,000.

MutualCare®  
Custom Solution For MutualCare® Custom Solution, the initial policy limit is stated as a maximum amount. Choices for the initial policy limit are \$50,000 to \$500,000 in \$500 increments.

**NOTE:** The Class I and II maximum policy limit is \$300,000.

**Calendar Day Elimination Periods** The calendar day elimination period means the initial number of calendar days that your client must be chronically ill before benefits can be paid. It begins on the first day the individual is chronically ill and receives a covered service.

Subsequent days on which the Insured is chronically ill will be used to satisfy the elimination period even if he or she does not receive a covered service on that day.

\*The policy limit is reduced by all benefits paid, except for the Care Coordinator and Waiver of Premium benefits, which are discussed later in this unit.

Elimination period options include:

MutualCare® Secure Solution: 90, 180 or 365 days

MutualCare® Custom Solution: 0, 30, 60, 90, 180 or 365 days

- The elimination period needs to be satisfied only once in a lifetime. It does not apply when the Cash Benefit is elected. (If the Insured changes to reimbursement benefits, the elimination period must be satisfied.)
- If the Insured is a Class I or II risk, only 90, 180 or 365 elimination periods are available.

**Waiver of Premium Benefit** The Waiver of Premium benefit provides that once the policy's elimination period has been satisfied, no further premium payments are required effective on the date the company begins paying:

- Nursing home benefits
- Assisted living facility benefits or
- At least eight days of Home Health Care and/or Adult Day Care benefits in any continuous 30-day period

Once the waiver of premium ends, the Insured must resume paying premiums to keep the policy in force. Refer to the policy for additional details.

**Cash Benefit** There are times when it may be helpful to receive benefits in cash, rather than the actual long-term care benefit. The Cash Benefit pays a percentage of the home health care benefit each month that the Insured is eligible.

- MutualCare® Secure Solution pays 30 percent, and MutualCare® Custom Solution pays 40 percent of the Maximum Monthly Home Health Care Benefit each month the Insured is chronically ill.
- A maximum of \$2,400 may be paid in advance each month

Key features:

- The cash benefit is paid in advance at the start of each month, regardless of the actual expenses that are incurred
- There are no restrictions on how the cash can be used and no elimination period needs to be met
- When the insured is receiving a cash benefit, no other benefits are payable under the policy

- The insured may elect to discontinue the cash benefit by providing written notice to us. After the cash benefit is discontinued, other eligible policy benefits may be payable on a reimbursement basis
- The elimination period requirements need to be satisfied prior to receiving any benefits on a reimbursement basis
- The insured may elect to receive the cash benefit one month and reimbursement the next
- Days in which the cash benefits are utilized do not count toward the elimination period for reimbursement benefits
- Cash benefits are not available for plans of care involving services outside of the United States, its possessions or territories, Canada, or the United Kingdom

**ADDITIONAL POLICY BENEFITS (BUILT-IN)**

MutualCare® Solutions also provides the following long-term care basic benefits and services:

- Home Health Care
- Adult Day Care
- Nursing Home
- Assisted Living
- Care Coordination Benefit
- Respite Care
- Hospice Care, and
- International Benefit

**Home Health Care Benefit**

Most people prefer to receive long-term care services at home. The Home Health Care benefit provides the Insured with 100 percent of the maximum monthly benefit, with the option to reduce it to 75 percent or 50 percent to help pay for home health care services. The option must be selected at the time of the application. For example, if the client selected the 50 percent option, at claim time his or her benefits would be 50 percent of the maximum monthly benefit.

The Home Health Care benefit provides for services of a registered nurse, home health aide or therapist, medication management, maintenance or personal care services to assist with the activities of daily living and homemaker services.

**NOTE:** The Insured must satisfy the elimination period for this benefit unless he or she has purchased the “Waiver of

Elimination Period for Home Health Care Benefits” rider. The rider is discussed later in this unit.

**Adult Day Care Benefit** When the Insured receives services from an adult day care center, the company will pay expenses incurred for covered services, up to 100 percent of the Home Health Care Maximum Monthly Benefit for each month services are received.

Covered services consist of adult day care center services and fees charged for transportation to and from the adult day care center.

Adult Day Care benefits begin after the elimination period has been satisfied.

**Nursing Home Benefit** Nursing home care is a very costly long-term care service. The Nursing Home benefit provides 100 percent of the maximum monthly benefit amount to help pay for covered services received in a nursing home.

Benefits begin after the Insured has satisfied the elimination period. They include room and board, ancillary services and patient supplies provided by the nursing home for care of its residents.

**Assisted Living Facility Benefit** MutualCare® Solutions pays 100 percent of the maximum monthly benefit for services received in an assisted living facility, with the option to reduce it to a 75 percent or 50 percent benefit (at the time of application).

Covered expenses include room and board for a one-bedroom unit, ancillary services and patient supplies provided by the facility.

**Bed Reservation Benefit** There may be times when the Insured is confined to a nursing home or an assisted living facility and requires hospitalization. The Bed Reservation benefit provides the assurance that the individual will keep the bed reservation until he or she returns.

It pays a maximum of 100 percent of the Maximum Monthly Benefit, up to 30 days per calendar year.

The elimination period must first be satisfied.

**Care Coordination Benefit** Care Coordination services identify a person’s functional, cognitive, personal and social needs for care, and can help link the person to a full range of appropriate services. Care Coordination services available with MutualCare® Solutions include:

- Alternate Care, and
- Stay-at-Home Benefits



The elimination period does not need to be satisfied in order to use the Care Coordination services. The Alternate Care and Stay-at-Home benefits are available only when Care Coordination services are used.

Care Coordinator Both plans offer the services of a Care Coordinator. The purpose of the Care Coordinator is to assist in managing and arranging the Insured's long-term care needs and to provide a more cost-effective way of maximizing the policies.

The Care Coordinator must be a licensed health care practitioner who is designated by the company and qualified to assess and coordinate the overall care needs of a person who is chronically ill.

There is no cost for using this benefit. The care coordinator's services will not limit or reduce the benefits available under the policy. The Insured's progress and the quality he or she receives will be monitored on an ongoing basis.

Alternate Care The Care Coordinator may identify alternate services, special treatments or supplies that would not otherwise be covered by the policy.

The amount of the Alternate Care Benefit will be determined by the company at the time Mutual of Omaha approves the care.

When a plan of care developed by a care coordinator recommends treatment, services, or supplies not otherwise covered by the policy, the company may pay benefits for such alternate types of care if:

- (a) They are qualified long-term care services
- (b) They are a less-expensive alternative to the policy's other benefits for which the Insured is then eligible, and
- (c) The Insured, the company, and a licensed health care practitioner agree to the alternate care services in writing. Any benefits paid under this provision will reduce the policy limit amount. The company will not pay alternate care benefits for expenses incurred prior to the date the care coordinator recommends them in a plan of care

**NOTE:** An alternate care benefit will not be paid for any benefit that was available at the time of application for which the Insured did not elect to purchase or if it was not included as part of their coverage.

CHRISTIAN SCIENCE PROVIDERS – If eligible to receive Alternate Care Benefits under the policy, we may, at our discretion, pay an Alternate Care Benefit for services:

- Provided by an accredited Christian Science Nurse listed in the Christian Science Journal; and
- Incurred while Confined in a Christian Science nursing organization/ facility currently recognized by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc., or any comparable accrediting organization

### Stay-at-Home Benefits

Stay-at-home benefits are provided to help individuals remain in their homes or return home after a confinement. The Care Coordinator must determine that stay-at-home benefits are a cost-effective alternative to other benefits included in their policy.

Stay-at-home benefits may be received by the Insured at the same time other benefits are being received. These include:

- Caregiver Training
- Durable Medical Equipment
- Home Modification, and
- Medical Alert System

The Insured does not need to satisfy the Elimination Period to receive these benefits.

### **Caregiver Training**

The Caregiver Training benefit may pay to train an immediate family member or friend to provide unpaid care for the Insured in his or her home.

To be eligible for this benefit, the training must cover the proper use and care of a therapeutic device or an appropriate care-giving procedure by a trainer approved by the company. The plan will not pay to train someone who will be paid to care for the Insured.

The training can be received while the Insured is confined in a hospital, assisted living facility or nursing home only if it is reasonably expected that the training will make it possible for the Insured to return home where he or she can be cared for by the person receiving the training.

### **Durable Medical Equipment**

The Durable Medical Equipment benefit may pay for the rent or purchase of special medical equipment for use in the Insured's home, such as a hospital-style bed, walker, wheelchair or infusion pump.

The use of the medical equipment must be recommended by the

care coordinator in a plan of care.

The decision whether to purchase, as opposed to rent, durable medical equipment will be made by the company.

**NOTE:** Eligible expenses payable under the Durable Medical Equipment benefit are limited to the purchase price of the durable medical equipment or the rental charge if the durable medical equipment is normally rented on a periodic basis. Durable medical equipment does not include any device implanted in the body, motorized scooter, or exercise equipment.

**Home Modification** May pay to make minor modifications to the Insured's home that will enhance his or her ability to perform the Activities of Daily Living and/or to remain safely in the home.

Covered services consist of the charges for labor, equipment and supplies for such modifications. Examples include:

- Installation of a ramp, grab bars or railings, and
- Alterations to a room to accommodate a wheelchair

**NOTE:** Eligible expenses payable under the Home Modification Benefit are limited to the expenses incurred by the Insured for labor, equipment and supplies. Home modifications do not include hot tubs, swimming pools, home repair or maintenance, fees for building permits or inspections. The Home Modification Benefit may not be used solely to increase the value of the Insured's home.

**Medical Alert System** A medical alert system is a communication system installed in the home that is used solely to call for assistance if there is a medical emergency. The plan will pay for shipping and installation fees for the device, monthly monitoring fees and the rental charge or purchase price of the system.

**NOTE:** The company will decide whether rental or purchase is more appropriate.

**Respite Care** Respite care can provide a positive experience for both the primary caregiver and the person receiving care by providing short-term relief from caregiving responsibilities. Services may include care for the Insured during a short-term stay in a nursing home, assisted living facility, in the home or an adult day care center.

The Insured does not need to satisfy the elimination period to receive Respite Care benefits.

If the Insured is eligible to receive respite care benefits for less than an entire month, benefits will be prorated on the actual number of days that he or she receives respite care. Benefits will be paid up to the calendar year Respite Care Benefit Limit. Any unused days cannot be carried over to the next calendar year.

**Hospice Care** People who are terminally ill and not expected to live beyond six months need special care. Hospice care is designed to provide supportive care to people in the final phase of a terminal illness. The goal is to enable patients to be comfortable and free of pain, so that they can live each day as fully as possible.

This benefit pays for hospice care facility services in a nursing home, assisted living facility, the Insured's home, an adult day care center or a hospice care facility.

It provides up to the maximum monthly benefit for hospice care services with no elimination period to satisfy.

**International Benefit** The International Benefit pays benefits if the Insured is confined to a nursing home or assisted living facility, or if he or she receives home health care or adult day care outside the U.S., Canada or the United Kingdom.

Here is how it works:

- The International Benefit is equal to 12 times the Maximum Monthly Benefit
- This benefit is paid regardless of whether eligible expenses incurred in any month are more or less than the Maximum Monthly Benefit
- No additional International Benefits are payable under the policy once the benefits are equal to the International Benefit Lifetime Maximum
- The Cash Benefit is not available in conjunction with the International Benefit

**BASIC OPTIONAL  
BENEFITS – BOTH PLANS**

There are several basic, optional benefits that are available with both MutualCare® Solutions plans. These optional benefits include:

- Shared Care Benefit
- Security Benefit
- Waiver of Elimination Period for Home Health Care
- Nonforfeiture – Shortened Benefit Period, and

- Return of Premium at Death (less claims paid) – Three times the Maximum Monthly Benefit

**Shared Care Benefit** The Shared Care Benefit is an optional rider that may be added to both the Insured's and the Insured's partner's policies.

If the benefits have been exhausted under the Insured's policy but the need for long-term care services continues, the Insured may access benefits under his or her partner's identical policy. These benefits may be accessed until a minimum of 12 times the current monthly benefits remains.

If one partner dies while both policies are in force, the surviving partner will receive the deceased partner's remaining maximum lifetime benefit with no effect on the surviving partner's premium.

The Shared Care benefit is available only when both partners apply at the same time and are issued identical coverage.

It is not available:

- For Class II risks
- With the Security Benefit
- With the Return of Premium at Death less claims or Three Times Base MMB ROP at Death less claims
- If underwriting determines one or both applicants pose a greater than normal risk of premature death
- With Partner – One issued premium allowance
- For Secure Solution with Class I risks and a benefit multiplier greater than 36 months, or a Maximum Monthly Benefit greater than \$5,000
- For Custom Solution with Class I risks and a Maximum Monthly Benefit greater than \$5,000, or a policy limit greater than \$180,000

**Security Benefit** The Security Benefit provides an additional benefit when the Insured is receiving benefits, and his or her partner is still alive. The additional funds may be used to help pay for care or living expenses for an uninsured partner.

If elected, the Security Benefit pays a benefit equal to 60 percent of the reimbursement benefit each month, excluding any cash benefit. The Security Benefit will not reduce the policy limit.

It will not be paid if the Insured is receiving benefits under the Cash Benefit Rider.

This benefit is not available:

- For Class I and II risks
- With Partner – both issued Premium allowance
- For issue ages over 69

**Waiver of Elimination  
Period for Home  
Health Care**

The Waiver of Elimination Period for Home Health Care enables the Insured to receive home health care benefits without having to satisfy an elimination period.

Days on which the elimination period is waived for home health care benefits will be used to satisfy the elimination period for other available benefits.

The elimination period for nursing home and assisted living will begin to be satisfied on a calendar-day basis.

**Note:** This benefit is not available for Class I and II risks.

**Non-forfeiture Benefit –  
Shortened Benefit Period**

What happens if the Insured can no longer afford to pay the premiums? If the individual should drop his or her coverage, a non-forfeiture benefit provides the assurance that he or she will receive some benefit for the money that has been paid into the policy.

The Nonforfeiture Benefit – Shortened Benefit Period Rider allows coverage to continue on a reduced basis in the event the Insured stops paying premiums. It must be offered at the time of application. If it is not selected, the Contingent Nonforfeiture benefit becomes the default.

**NOTE:** The policy must have been in force for three years in order for this provision to take effect.

**Contingent Non-forfeiture  
Benefit**

The Contingent Non-forfeiture Benefit provides the Insured with coverage if he or she does not elect the Nonforfeiture Benefit – Shortened Benefit Period. This benefit will apply to the Insured if and only if there is a substantial increase in the premium rate for their coverage. Insureds would then have the option to:

- Reduce their current level of coverage without evidence of insurability so that the required premium for their coverage is not increased or
- Convert their coverage to a paid-up status with a reduced policy limit

Refer to the policy for details concerning this benefit.

**Return of Premium Less  
Claims Paid – Three  
Times Initial Maximum  
Monthly Benefit**

This optional rider returns up to three times the initial maximum monthly benefit of the policy, less any benefits received, upon the Insured's death, after the policy has been in force for a 10-year period. The maximum monthly benefit is the lesser of:

- Three times the initial maximum monthly benefit or
- Three times the current maximum monthly benefit, excluding the whole amount of any inflation protection increases that may have been received

If coverage is decreased, the premium returned will be based on the decreased amount.

**NOTE:** This benefit is not available for issue ages over 64

**ENHANCED OPTIONAL  
BENEFITS –  
MutualCare®  
Custom Solution Only**

In addition to the basic optional benefits, there are several enhanced optional benefits that are available only with the MutualCare® Custom Solution plan. These optional benefits include:

- The Joint Waiver of Premium Benefit
- Survivorship Benefit
- Return of Premium at Death Less Claims Paid
- Return of Premium at Death Less Claims Paid If Death Occurs Before Age 65, and
- Professional Home Health Care benefits

**Joint Waiver of  
Premium Benefit**

The Joint Waiver of Premium Benefit waives the payment of premium when the partner's premium has been waived. It is available only if both partners have identical coverage.

When the waiver period ends, premium payments will resume and they must be paid to keep the policy in force.

It is not available with the Security Benefit, the Partner-one issued allowance, or with Class I or Class II risks.

**Survivorship Benefit**

If one of the partners dies after the policy has been in force for ten or more years, the Survivorship benefit provides that no further premiums will be due, effective with the next policy renewal date.

The benefit is only available if both partners have identical coverage, including the Survivorship benefit. It is not offered for Class I or Class II health risks, or with the Security benefit or Partner Premium Allowance (one issued).

**Return of Premiums –  
Less Claims Paid**

The Return of Premiums, Less Claims Paid benefit provides that if the client dies while the policy is in force, the company will return the total amount of premiums paid for the policy, less any benefits received by the Insured.

It is not available for issue ages over 64.

**Return of Premiums Less  
Claims Paid, if Death  
Occurs Before Age 65**

If the Insured dies while the policy is in force, but before his or her 65th birthday, the company will return the total amount of premiums paid for the policy, less any benefits received by the Insured.

It is not available for issue ages over 64.

**Professional Home  
Health Care Benefit**

The Professional Home Health Care Benefit makes additional benefits available when home health care services are provided by a nurse\* or skilled professional specializing in physical, respiratory, occupational or speech therapy, audiology, nutrition or chemotherapy administration.

If the cost of services exceeds the monthly benefit in any month, an additional 100 percent of the home health care maximum monthly benefit will be provided.

\*Additional funds for home health care provided by a nurse are limited to 365 days over the life of the policy.

**INFLATION PROTECTION  
OPTIONS**

The cost of long-term care services is likely to increase significantly in the future. Coverage purchased today may not provide adequate protection several years from now. A person can purchase additional coverage years in the future – assuming his or her health permits. What can a person do to help ensure that the protection purchased today will still provide adequate protection in the future? The purchase of inflation protection is recommended to make certain coverage keeps pace with the expected increase in costs.\*

**Inflation Protection Rider**

An optional inflation protection rider allows policy benefits to increase to assist with potential rising costs.

Here's how it works:

- The current maximum monthly benefit and remaining policy limit increase annually by the percentage the Insured selects, and
- The increase occurs on each policy anniversary date for the length of time the Insured selects – either for the life of the policy or for a limited period of time

\*For Partnership policies, compound annual inflation protection is required for all purchasers below age 61. States can determine the type of compound inflation and the percentage rates that qualify. If the individual is over age 76, inflation protection is optional. The requirement to offer five percent lifetime compound inflation protection still applies to all ages. The 5 percent inflation protection option must be offered to all clients.



There are a variety of inflation protection options available with both MutualCare® Solutions plans.

**MutualCare® Secure Solution Inflation Protection**

MutualCare® Secure Solution offers three inflation protection options:

- Compound Inflation Protection – Lifetime Benefit – Options:
  - Three percent
  - Four percent, or
  - Five percent
- Compound Inflation Protection – Limited Period Benefit – Options:
  - Five percent – 20-year or Three percent – 20-year
 OR
- No Inflation Protection

Three Percent Compound Lifetime Inflation Protection Example:

The Three Percent Compound Lifetime Inflation Protection Rider increases the Insured’s maximum monthly benefit. The remaining amount of his or her maximum lifetime benefit will be increased by three percent compounded annually.

<b>Based on a \$5,000 Maximum Monthly Benefit and 3 percent Compound Lifetime Inflation Protection</b>	
<b>Increased Maximum Monthly Benefit</b>	
First Policy Anniversary Date	\$5,150
Second Policy Anniversary Date	\$5,305
Third Policy Anniversary Date	\$5,464
Fourth Policy Anniversary Date	\$5,628
Fifth Policy Anniversary Date	\$5,797

Compound 20-year Limited Period Inflation Protection Example:

Each original maximum monthly benefit and the remaining amount of the maximum lifetime benefit will be increased by five percent annually through the 20th anniversary date of the benefit, as long as the benefit and the policy remain in force.

The increase will be effective on each anniversary of the benefit through the 20th anniversary date of the benefit even if the Insured is receiving benefits.

**MutualCare®  
Custom Solution  
Inflation Protection**

MutualCare® Custom Solution’s buy-up option allows the Insured to increase the percentage of inflation applied to policy benefits on or before each policy anniversary date.

**NOTE:** The increase is effective on the policy anniversary following the election, with benefit increases occurring on the following anniversary date. It is available prior to the lesser of 20 years or age 75.

MutualCare® Custom Solution offers a choice of two buy-up inflation protection options:

- Compound Inflation Protection – Lifetime Benefit with Guaranteed Buy-up, and
- Compound Inflation Protection – Limited Period Benefit with Guaranteed Buy-up

Inflation protection options between one percent and five percent are available, in increments of one-quarter percent, up to a maximum of five percent. On or before each policy anniversary date, individuals may increase their compound inflation percentage to any percentage offered by the company, until their total inflation protection is five percent.

The increase is made regardless of changes in the policyowner’s health and will even be made while he or she is receiving benefits.

**NOTE:** A No Inflation Protection option is also available with MutualCare® Custom Solution.

**PRODUCT COMPARISON**

Shown below is a summary of the features available with MutualCare® Solutions:

Basic Policy Benefits	MutualCare® Secure Solution	MutualCare® Custom Solution
Issue Ages	30-79	
Tax Status	Tax Qualified Only	
Partnership Qualified	Yes	
Built-in Benefits		
Policy Limit	Benefit multiplier determines policy limit Options: 24, 36, 48 or 60 months	Pool of dollars determines policy limit
Maximum Monthly Benefit	\$1,500 to \$10,000 per month in \$1 increments	\$1,500 to \$10,000 per month in \$50 increments
Calendar Day Elimination Period	90, 180 or 365 calendar days	0, 30, 60, 90, 180 or 365 calendar days
Cash Benefit	30% of HHC benefit up to <u>initial maximum</u> of \$2,400 per month	40% of HHC benefit up to <u>initial maximum</u> of \$2,400 per month
Nursing Home Benefit	100%	

<b>Built-in Benefits (cont.)</b>		
<b>Basic Policy Benefits</b>	<b>MutualCare® Secure Solution</b>	<b>MutualCare® Custom Solution</b>
<b>Assisted Living Facility Benefit</b>	50%, 75% or 100% of maximum monthly benefit	
<b>Home Health Care Benefit</b>	50%, 75% or 100% of maximum monthly benefit	
<b>Adult Day Care Benefit</b>	Up to 100% of monthly HHC benefit	
<b>Stay-at-Home Benefit</b>	Pays up to 2X the maximum monthly benefit	
<b>Bed Reservation Benefit for Nursing Home &amp; Assisted Living Facility</b>	30 days per calendar year	
<b>Respite Care Benefit</b>	30 days per calendar year	
<b>Hospice Care Benefit</b>	Pays MMB No elimination period applies	
<b>International Benefit</b>	Maximum monthly benefit for up to 12 months	
<b>Waiver of Premium (Nursing Home, Assisted Living Facility, Home Health Care)</b>	Included – subject to eligibility requirements	
<b>Alternate Care Benefit</b>	Available when care coordination is used	
<b>Optional Partner Benefits</b>		
<b>Shared Care</b>	Available	
<b>Security Benefit</b>	Available	
<b>Joint Waiver of Premium Benefit</b>	Not Offered	Available
<b>Survivorship Benefit</b>	Not Offered	Available
<b>Other Optional Benefits</b>		
<b>Waiver of Elimination Period for Home Health Care</b>	Available	
<b>Nonforfeiture-Shortened Benefit Period</b>	Available	
<b>Return of Premium at Death (minus claims paid) – 3x initial premium</b>	Available	
<b>Return of Premium at Death (minus claims paid) – if Death Occurs Before Age 65</b>	Not Offered	Available
<b>Return of Premium at Death (minus claims paid)</b>	Not Offered	Available
<b>Professional Home Health Care</b>	Not Offered	Available
<b>Inflation Protection Options</b>		
<b>Compound Inflation – Lifetime</b>	3%, 4% or 5% (no buy-up option)	1% to 5% in .25% increments (with buy-up option)
<b>Compound Inflation – Limited Benefit Period</b>	20-Year 3% or 5% (no buy-up option)	10, 15 or 20-year 1% to 5% in .25% increments (with buy-up option)
<b>No Inflation Protection</b>	Available	
<b>NOTE: The 5% inflation protection option must be <u>offered</u> to clients.</b>		

**SUMMARY** MutualCare® Solutions is a portfolio of long-term care insurance products developed to address the needs of a changing LTCI marketplace. Traditional long-term care insurance is designed to provide the asset protection a whole new generation of Americans need while maintaining the viability and sustainability of the product line for years to come.

## REVIEW QUESTIONS

### UNIT 7

1. All of the following apply to MutualCare® Secure Solution EXCEPT:
  - (a) Is a traditional tax-qualified plan
  - (b) Offers nursing home, assisted living facility and home health care benefits
  - (c) Has one elimination period – 90 calendar days
  - (d) Has available elimination periods of 90, 180 or 365 calendar days
2. Which of the following optional benefits is available with both MutualCare® Secure Solution and MutualCare® Custom Solution?
  - (a) Shared Care benefit
  - (b) Joint Waiver of Premium
  - (c) Survivorship
  - (d) Professional Home Health Care
3. Stay-at-home benefits include all of the following EXCEPT:
  - (a) Caregiver training
  - (b) Durable medical equipment
  - (c) Medical alert system
  - (d) Hospice care
4. All of the following inflation protection options are available with MutualCare® Custom Solution EXCEPT:
  - (a) 5 percent Compound Lifetime Benefit w/Guaranteed Buy-up
  - (b) 3 percent Compound-Limited Period w/Guaranteed Buy-up for 5 years
  - (c) 5 percent Compound Lifetime with no Buy-up
  - (d) No Inflation Protection
5. All are true statements about the Shared Care Benefit EXCEPT:
  - (a) It is an optional benefit that may be added
  - (b) The partner must trigger the benefits
  - (c) It can be used to provide care and living expenses for a partner who has met the maximum lifetime benefit
  - (d) The benefit is available even if death occurs
6. The maximum monthly benefit amount can range from a minimum of \$ \_\_\_\_\_ to a maximum of \$ \_\_\_\_\_.
  - (a) \$1,500, \$10,000
  - (b) \$1,000, \$10,000
  - (c) \$500, \$5,000
  - (d) \$1,000, \$8,000
7. Which of the following is not a confined care benefit?
  - (a) Nursing care facility confinement
  - (b) Assisted living facility confinement
  - (c) Bed reservation benefit
  - (d) Home modification

8. All of the following features differ between MutualCare® Secure Solution and MutualCare® Custom Solution EXCEPT:
  - (a) Inflation Options
  - (b) Elimination period
  - (c) Optional benefits
  - (d) Premium allowances
  
9. Which of the following services is NOT included with Care Coordinator Services?
  - (a) Alternate Care
  - (b) The Care Coordinator
  - (c) Bed reservation benefit
  - (d) Stay-at-Home
  
10. Elimination periods for MutualCare® Secure Solution include all of the following EXCEPT:
  - (a) 0 days
  - (b) 90 days
  - (c) 180 days
  - (d) 365 days
  
11. Home health care offers all of the following benefits EXCEPT:
  - (a) Services of a registered nurse
  - (b) Adult day care
  - (c) Home health aide or therapist
  - (d) Homemaker services
  
12. All of the following benefits are offered with MutualCare® Solutions EXCEPT:
  - (a) Cash benefit
  - (b) Rate guarantee
  - (c) 90-day Elimination Period
  - (d) Respite Care

## UNIT 8

# PROVISIONS, EXCLUSIONS AND OTHER FEATURES

<b>PROVISIONS AND FEATURES</b>	There are several additional provisions and features of Mutual Care® Plus.
<b>Misstatements/ Incontestability</b>	<p>When the policy has been in force for <b>less than six months</b>, the coverage may be rescinded or the claim denied if it is shown that a misrepresentation on the application has been made that is material to the acceptance for coverage.</p> <p>After the policy has been in force for at <b>least six months but less than two years</b>, the policy may be rescinded or the claim denied if it is shown that a misrepresentation has been made that is material to the acceptance for coverage <i>and which pertains to the condition for which benefits are sought</i>.</p> <p>After the policy has been in force for <b>two years</b>, the policy may not be contested unless the Insured <i>knowingly and intentionally misrepresented relevant facts</i> relating to his or her health.</p> <p>As you can see, it is imperative that you ask each and every question on the application and fully record your prospect's answers. (Certain states require that the applicant must complete the questions – please check with your manager.)</p>
<b>Grace Period</b>	The Insured has 65 days to pay his or her premium before the policy will lapse. The company will send the Insured written notice 30 days after the premium is due and unpaid. The policy stays in force during the grace period.
<b>Notification of Nonpayment</b>	If the Insured's premium is due and unpaid at the end of 30 days, the company will give notice of lapse or termination to the Insured and person(s) designated to receive notice. The notice of lapse or termination will be sent at least 35 days in advance of the termination. Mutual of Omaha will consider the Insured and designated person(s) to have been notified five calendar days after the date the notice is mailed. If the premium remains unpaid on the termination date stated in the notice, the coverage will terminate on that date, which is considered to be the end of the grace period.
<b>Reinstatement</b>	This provision states that the Insured's policy will lapse if he or she does not pay his or her premium before the end of the grace period. The policy will be reinstated based on the conditions outlined in the provision.
<b>Protection Against</b>	The provision states that the Insured may specify an additional

**Unintentional Lapse** person to receive any notification that his or her policy is about to lapse or terminate due to nonpayment of premium. This designated person may be changed at any time by the Insured.

Added Protection Against Lapse The provision also states that Mutual of Omaha will provide a continuation of coverage benefit if the Insured can provide us with proof that he or she was chronically ill on the date of unintentional lapse. Proof must be in the form of a certificate of assessment from the Insured's licensed health care practitioner (or other proof approved by us) which demonstrates that the Insured was chronically ill on the date of unintentional lapse. Furthermore, this proof must be supplied to us within five months from the date of lapse or termination.

In such a case, the Insured must pay all past-due premiums for the policy and any benefit options that were in force immediately prior to the date of lapse. This continuation will then provide uninterrupted coverage to the same extent that the policy and all benefit options provided if they had not terminated. Please note that if the Insured becomes eligible for benefits during the continuation period, they will be payable subject to any applicable elimination period, maximum benefit and all other provisions of the policy and benefit options.

**Exclusions and Limitations\*** MutualCare® Solutions excludes benefits for any expenses incurred for any room and board, care, treatment, services, equipment, or other items for:

- Services provided by a family member
- Services for which no charge is made in the absence of insurance

\*may vary by state



- Services provided outside the United States, its possessions or territories, Canada or the United Kingdom, except as provided for under the International Benefit
- Services that result from war or act of war, whether declared or undeclared
- Loss that results from suicide, an attempt at suicide or an intentionally self-inflicted injury
- Loss resulting from alcoholism or drug addiction (except for an addiction to a prescription medication when administered in accordance with the advice of the Insured's physician)
- Treatment provided in a government facility (unless otherwise required by law) except a Veterans Administration facility
- Services received while the policy is not in force, except as provided in the Extension of Benefits provisions

**Nonduplication of Benefits** The company will not pay benefits to the extent that eligible expenses are reimbursable under Medicare or other governmental programs (except Medicaid), with the exception of the application of a deductible or coinsurance amount.

**OTHER POLICY FEATURES** Other MutualCare® Solutions features include the following:

- 30-day Right To Review Policy
- Guaranteed Renewable for Life
- Waiver of Premium
- Policy Termination
- Refund of Unearned Premiums
- Unpaid Premiums
- Extension of Benefits

**30-day Right To Review Policy** This provision states that if, for any reason, the Insured is not satisfied with the MutualCare® policy, he or she may return the policy to Mutual of Omaha or to his or her producer within 30 days of the policy delivery. All premiums paid will be promptly refunded and the policy will be considered never to have been issued.

**Guaranteed Renewable for Life**

This provision states that the Insured has the right to continue the long-term care policy for as long as he or she lives. The policy cannot be canceled unless the Insured fails to make the required premium payments on a timely basis. To continue the policy, the Insured must pay the premiums when they are due. The policy will not be canceled, nonrenewed or otherwise terminated on the grounds of age or the deterioration of the Insured’s mental or physical health.

Premiums Can Change

The premium rates may change; however, the rate changes will be applied only when the same change is made on all MutualCare® Solutions policies issued to individuals with the same classification in the Insured’s state. At least 60 days’ written notice must be given to the Insured prior to the effective date of any premium rate increase.

**Waiver of Premium**

MutualCare® Solutions contains a Waiver of Premium Benefit. The company will waive all premiums that become due beginning the first day the Insured meets the Eligibility for the Payment of Benefits provision requirements, and once the Elimination Period has been satisfied. The Insured will be credited the pro rata amount of premiums already paid beyond the waiver effective date toward future premium payments once the waiver ends.

To qualify for the Waiver of Premium, the Insured must be receiving one of the following benefits:

- Nursing Home
- Assisted Living
- Home Health Care (at least eight days a month)

The Waiver of Premium Benefit ends when the care benefits are no longer received or the maximum benefit period has been paid. The Insured must once again pay any premiums that become due in order to keep the coverage in force.

**Policy Termination**

The policy will terminate on the earliest of:

- The date we receive the Insured’s written or verbal request to cancel this policy (in which case the grace period will not apply)
- The date of the Insured’s death
- The date the policy benefit is reduced to zero; or
- The policy renewal date, if the renewal premium was not paid before the end of the grace period (except as provided for in the Protection Against Unintentional Lapse provision).

In the event of termination, the company will refund any

unearned premium according to the Refund of Premium provision. Termination will not affect any claim for covered services that the Insured incurred while their policy was in force.

**Refund of Premium** Upon receipt of notice that the Insured has cancelled their policy or has died, the company will refund the portion of the premium paid for the period between the date of cancellation or death and the next premium due date. The company will pay the refund to the Insured or, upon his or her death, to the spouse, if living, or to the estate.

**Unpaid Premiums** When benefits are paid for a claim, any premium then due and unpaid may be deducted from the benefits payable.

**Extension of Benefits** This benefit provides for continuation of coverage for confined care benefits when the policy lapses. The extended coverage is in effect only if the eligibility for benefits began while the policy was in effect and continued without interruption up to the time the policy lapsed. The extended coverage ends upon termination of the institutionalization, when the Eligibility for the Payment of Benefits provision requirements are no longer met or when the maximum lifetime benefit has been paid, whichever occurs first.

**Limitations or Conditions on Eligibility for Benefits** Insureds must meet **ALL** of the following conditions to be eligible for benefits:

- (a) The policy must be in force on the date for which they are claiming benefits
- (b) The policy limit has not been reduced to zero
- (c) They must not have exhausted any maximum benefit amount shown on the policy schedule that applies to the benefit they are claiming
- (d) They must satisfy the elimination period if it applies to the benefit they are claiming. The elimination period does not apply to the Cash Benefit Rider, if it is part of their coverage, respite care benefits, hospice care benefits, stay-at-home benefits, or the care coordinator service

**One Benefit is Payable on a Single Day** If the Insured is eligible for benefits under more than one provision on any single day, we will only pay benefits under the provision which pays the greatest amount. This limitation applies even if multiple benefits share the same maximum benefit amount. This limitation does not apply to the policy's stay-at-home benefits, which may be received at the same time as other policy benefits. At the Insured's option, the monthly cash benefit may be paid in place of any other benefit if the Cash Benefit Rider is part of their coverage.

**Right to Reduce Coverage and Lower Premiums**

The Insured may elect to lower their policy's premium at any time by:

- (a) Reducing their policy limit
- (b) Reducing their policy's maximum monthly benefit amount, or
- (c) Exercising other options that are consistent with the policy design or our administrative process

We will base the premium for the reduced coverage on the Insured's issue age. We will not reduce benefits below the minimum amount of coverage we allow when issuing a new policy. To request a reduction in coverage, the Insured may contact us at the toll-free number shown on the face page of their policy.

If their policy is about to lapse due to non-payment of premium, we will notify Insureds of their option to lower premium by reducing coverage. The Insured will have 30 days to elect this option.

**SPECIAL NOTE ON PARTNERSHIP POLICIES**

Partnership policies must meet specific requirements of the National Association of Insurance Commissioners (NAIC) Long-Term Care Insurance Model Regulations and Model Act, which are listed in Appendix III of the NAIC Model Act:

- 1. Section 6C, relating to pre-existing conditions;
- 2. Section 6D, relating to prior hospitalization;
- 3. Section 8, the provisions relating to contingent non-forfeiture benefits;
- 4. Section 6F, relating to right to return;
- 5. Section 6G, relating to outline of coverage;
- 6. Section 6H, relating to requirements for certificates under group plans;
- 7. Section 6J, relating to policy summary;
- 8. Section 6K, relating to monthly reports on accelerated death benefits; and
- 9. Section 7, relating to incontestability period.

**SUMMARY**

This unit provided a general description of the basic provisions and exclusions for MutualCare® Solutions. Unit 10 provides details for the MutualCare® Solutions underwriting rules.

## UNIT 9 UNDERWRITING

### QUALITY UNDERWRITING

Underwriting is one of the most important functions you perform outside of selling itself. Quality underwriting will help both you and your clients by keeping costs under control and our long-term care products competitive.

It is important to have a full understanding of the underwriting rules, including the health underwriting process, how the Insured qualifies for benefits and how to complete the application. This understanding will assist with application processing and result in a favorable outcome for both you and your client.

### ISSUE AGES

MutualCare® Solutions may be issued to individuals ages 30 through 79.

### PREMIUM ALLOWANCES

A variety of premium allowances are offered to help people save money. The Insured is eligible to receive one or more of the following premium allowances:

- Partner (Both Issued)
- Partner (One Issued)
- Preferred
- Producer
- Association Group
- Common Employer

### Partner (Both Issued) – 30 Percent Allowance

If both partners purchase long-term care insurance from Mutual of Omaha, they each receive a 30 percent premium allowance:

- If one applicant cancels the contract and it results in a cancel back to issue or policy not taken, the 30 percent partner allowance will be replaced by the 15 percent Partner Allowance (one issued)
- It is not available with the Security Benefit
- Both partners must use same policy form

### Partner (One Issued) – 15 Percent Allowance

A 15 percent premium allowance is offered to a married applicant whose partner is not issued long-term care insurance from Mutual of Omaha.

It is not available with the Joint Waiver of Premium, Survivorship or Shared Care Benefits.

**Preferred – 15 Percent Allowance** A 15 percent premium allowance is offered to applicants who are in good health.

- The Preferred Allowance will be applied at the discretion of the underwriter
- It can be combined with all partner allowances

**Producer – 5 Percent Allowance** The Insured and his or her partner are each eligible for a five percent premium allowance when they purchase a Mutual of Omaha long-term care insurance policy. It is not available with Association Group or Common Employer allowances.

**Association Group – 5 Percent Allowance** Applicants who are members of a qualifying association group are eligible for a five percent premium allowance. It:

- Also applies to partner of the Insured
- Includes a compensation offset
- Is not available with the Producer allowance
- Is not available to add after issue

**Common Employer – 5 Percent Allowance** Five or more applicants who share a common employer are all eligible for a five percent premium allowance:

- Once the five-person minimum is met, other employees of the same company also will receive the Common Employer allowance
- It is not available with Association Group or Producer allowances
- It is not available to add after issue
- It cannot be employer paid/sponsored
- PRD is not available

**HEALTH UNDERWRITING** These policies are issued selectively. The following requirements must be met in order to issue coverage.

A face-to-face examination is required for every applicant age 65 and above, and for younger ages at the underwriter's discretion.

**Note:**

- If an applicant's hearing loss prevents them from completing a telephone interview, a note should be included with the application advising that a face-to-face examination is needed. For deaf applicants, indicate if they are able to read lips or communicate with sign language.

- The face-to-face examination must be completed in the applicant’s home. It cannot be completed at their place of work, a relative’s home, or a public place such as a restaurant.

**Medical Records** Medical records will be ordered on all applicants. A doctors visit is required within the 24 months preceding the application date for ages 65 and older.\* Please review the following specific requirements:

Pharmaceutical Check	Medical Records	Personal Health Interview	Cognitive Assessment
All applicants	All applicants	Telephone – Ages 30-64 Face-to-Face – Ages 65-79 – Younger ages at underwriter discretion	Included with telephone and face-to-face interview – Ages 65-79 – Younger ages if history of CVA, TIA, memory loss or depression, or if application was mailed

Medical records will be ordered on all applicants. A doctor’s visit which includes a head-to-toe physical examination with blood work, is required within 24 months preceding the application date, if age 65 or older.

In order to determine an applicants eligibility, additional information may be requested following submission of the application.

**TAX-QUALIFIED** MutualCare® Secure Solution and MutualCare® Custom Solution are tax-qualified plans.

**MODES** MutualCare® Solutions may be issued in the following modes:

- Annual
- Semiannual
- Quarterly
- Monthly bank draft

**COLLECTING PREMIUM** The applicant has the option to submit premium with the application or wait until the policy is issued. The chart shows the requirements of each premium mode for the Cash with Application and No Cash with Application options.

A conditional receipt/TIA only applies when cash is submitted with the application. This chart shows the options:

Cash with Application		No Cash with Application	
Monthly Bank Draft	Two month’s premium should be collected	Monthly Bank Draft	One month’s premium will be drafted once the policy is issued
Quarterly, Semiannual or Annual	The full modal premium should be submitted	Quarterly, Semiannual or Annual	The Insured will receive a bill for the full modal premium once the policy is issued

**PREMIUM OPTION** MutualCare® Solutions policies have one premium payment option – Lifetime

**REINSTATEMENTS** An insured may be eligible for policy reinstatement if his or her attained age is less than 65 and the policy has been lapsed for less than 180 days.

- The insured must contact Customer Service to initiate reinstatement. They will be asked to complete an application
- At underwriter discretion, a current telephone interview and medical records may be required

If reinstatement is approved, the insured must pay all back premium within 35 days of reinstatement approval. If not received in that timeframe, the insured will become ineligible for reinstatement and will be required to reapply for coverage at his or her current age

**SAVE AGE** Premium will be based upon the applicant's age on the date the application is signed. If the applicant's date of birth is within 30 days of the application signing date, rates will be based upon the younger age.

**REPLACEMENTS AND CONVERSIONS** Replacements and conversions require full selective underwriting. A replacement form must be submitted for all applicants replacing other policies. The prior coverage must be shown on the application.

**SUITABILITY** A long-term care personal worksheet is included in the application packet and must be submitted with each application. You are responsible for verifying that coverage is affordable and appropriate for your client.

- Minimum financial guidelines include an annual household income of \$20,000 and \$50,000 in countable assets
- MutualCare® Solutions is not available to anyone who meets Medicaid eligibility guidelines
- If the applicant does not disclose financial information or if the disclosed information indicates the policy is not suitable, the applicant will receive a letter asking them if they want to continue with the application



**POSSIBLE UNDERWRITING  
OUTCOMES**

There are five underwriting rate classes and underwriting outcomes that apply to individual coverage based upon the medical information provided on the application:

- Preferred – (15 percent discount) based on underwriter discretion
- Select – applicant is a standard health risk
- Class I – Select x 1.25
- Class II – Select x 1.50
- Decline/No Coverage Available

**Preferred Criteria**

In order to receive preferred rates, the applicant must meet all of the following criteria:

- An applicant must have seen a physician for a head-to-toe physical exam and complete metabolic profile within the past two years
- He or she must not have been declined, rated or denied reinstatement for long-term care insurance within the last three years
- The applicant must have been tobacco free for the past two years
- He or she must fall within the minimum and preferred maximum range on the build chart
- An applicant must not use a cane
- He or she must not take any prescription medications other than:
  - Allergy medications (excluding steroids)
  - Female hormone replacement
  - Thyroid hormone replacement
  - Antacids and heartburn medication
  - Medication for controlled high blood pressure (readings of 140/90 or less for the past six months)
  - Medication for controlled cholesterol (cholesterol less than 250)
  - Medication for temporary, acute conditions
- The applicant must not be diagnosed with or treated for any of the following:
  - Asthma
  - Atrial fibrillation
  - Blood disease or disorder (excluding treated iron deficiency anemia)

- Blood clotting disorder
- Cancer (excluding basal cell or squamous cell skin cancer)
- Carotid artery disease
- Chronic fatigue syndrome
- Chronic obstructive pulmonary disease (COPD)
- Chronic pain
- Diabetes
- Emphysema
- Fibromyalgia
- Heart disease, including coronary artery disease and heart valve disorder (excluding mitral valve prolapsed or controlled high blood pressure average reading greater than 140/90 for the past six months)
- Hepatitis
- Joint replacement
- Moderate osteoarthritis
- Neurological disease or disorder
- Peripheral arterial/vascular disease
- Polymyalgia rheumatic
- Psychiatric disease or disorder (excluding seasonal affective disorder or resolved situational depression)
- Respiratory disease or disorder, excluding acute bronchitis or pneumonia
- Rheumatoid arthritis
- Sleep apnea
- Spinal stenosis
- Stroke
- TIA (Transient Ischemic Attack)
- Tremor

**LONG-TERM CARE UNDERWRITING GUIDE**

Refer to the Product & Underwriting Guide for details regarding other health conditions that may qualify for a preferred rating. The guide is used in determining eligibility for the product. The underwriting guide is periodically updated so make sure you always have access to the most current version.

The application identifies some impairments which will disqualify the applicant from coverage. These applications should NOT be submitted. The policy will not be issued if the applicant is over or under the height and weight guidelines. Multiple health conditions require evaluation on a case-by-case basis. Higher risk applicants may receive an offer for reduced benefits and/or may require a premium increase.

**APPLICATION**

The application for MutualCare® Solutions can be used for one or two individuals applying for coverage.

**General Guidelines** The application packet contains the application plus all forms required in the applicant's state of residence. Follow these guidelines when submitting an application:

- **Use the correct application** – The application must be taken on the client's resident state application. Submission of a nonresident state application will require submission of the correct state application before a policy can be issued
- **You must have the appropriate state license** – If the application is taken in person, you must be licensed in the state where the application is signed. For mail-in applications, you must be licensed in the state where the application is completed and mailed
  - A special note about Kansas: If you take an application on a Kansas resident, you must be appointed both in Kansas and in the state where the application is signed
- **Only the applicant may sign** – Many long-term care sales are made to married couples. Keep in mind that each applicant is underwritten individually and, upon approval, both partners are issued their own policies. Only the applicant for insurance may complete and sign the application
- A copy of the Insured's quote must be included with the application packet.  
**NOTE:** Illustration software is required to generate a quote if:
  - The applicant is age 71 or older
  - The Non-forfeiture Shortened Benefit Period option is selected, or
  - A payment method other than annual or monthly is selected
- **White out is not allowed** – If a question is answered in error, draw a single line through the error and have the correction initialed by the applicant
- **Don't use "N/A"** – "N/A" is not an acceptable answer. Instead, use "no" or "none" when answering a question on the application
- **Don't forget the quote** – Be sure to include a copy of the quote when you submit the application packet

- **Check the date** – Applications must be received by Mutual of Omaha within 30 days of the application date. Applications that are more than 30 days old will require you to submit a new, complete, currently dated application. Premium will be based on the applicant’s age as of the new application signing date
- **Valid LTC training** – Is required prior to solicitation

**Steps for Completing the Application**

The Application Instructions page is a critical component of the application process. Make certain to follow the instructions and complete the listed requirements. Here’s a rundown of what you need to know so you don’t skip a step:

**Step 1: General Information**

Make sure you answer all general information questions, including the best time to call the applicant. If you don’t initiate the personal health interview at the time of sale, be sure to tell the applicant that a representative will call them to schedule a telephone interview or a face-to-face interview.

**Step 2: Premium Allowances**

Answer all questions in the premium allowances section. Applicants may be eligible for premium allowances based on their answers.

**Step 3: Replacement Coverage**

Be sure to provide all requested information. If a Mutual of Omaha policy will replace an existing long-term care policy, replacement form(s) must be completed based on the applicant’s state of residence and the prior coverage must be shown on the application. Remember the laws are strict regarding long-term care replacement.

**Step 4: Health Insurability**

Provide complete and accurate information about the applicant’s health status. (See the Health-Related Guidelines section of the Product and Underwriting Guide for assistance.) Also, be sure to include the address and phone number of the applicant’s primary care physician. While answers to health insurability questions are verified via medical records and/or during the personal health interview, failure to disclose an existing condition may result in denial of a future claim related to that condition.

**Step 5: Benefit Selection**

Be sure to complete all appropriate sections. Please note:

- The total monthly benefit for nursing home/assisted living or home health care, including all long-term care policies (including other companies), cannot exceed \$10,000 per month or \$500 per day at the time of issue

- The five-percent compound lifetime inflation option must be offered to all applicants. If not elected, the applicant must check the “no” box in the inflation protection option section of the application. An inflation protection option or “no inflation” must be selected
- The Nonforfeiture – Shortened Benefit Period must be offered. If not chosen, the applicant must check the “no” box in the appropriate section of the application and the Contingent Nonforfeiture Benefit will become the default

**Step 6: Premium Options** Indicate the premium mode desired and add the modal premium and premium collected. Use the following modal factors to calculate premium:

Monthly Bank Draft	Quarterly	Semiannual	Annual
.09	.26	.51	1.00

If the applicant wishes to pay monthly premiums via pre-authorized bank draft, the Recurring Premium Mode section of the application must be completed. If future premiums will be drawn from an account other than the account used for the initial premium, a voided check must accompany the application.

**Step 7: Effective Date** Indicate how the applicant wishes to have coverage issued, if approved. Options include:

- Date of the application
- Date the policy is issued
- Requested effective date of coverage (for replacements only). If the applicant is replacing other coverage, the effective date will be the paid-to-date of the other coverage, up to 60 days beyond the date the application is signed.

**Step 8: Notice Before Lapse or Termination** This section must always be completed. However, if the applicant does not wish to designate a person to receive a lapse or termination notice when payment is 30 days past due, he or she must check the appropriate box.

**Step 9: Agreements and Acknowledgements** Have each applicant sign and date this section and include the city where the application was signed. Check the appropriate box and provide an explanation, if indicated. Then be sure to sign the application yourself.

**Step 10:  
Authorization to  
Disclose Personal  
Information**

This section gives Mutual of Omaha Insurance Company permission to obtain information needed to complete the underwriting process. Please make certain the applicant signs and dates this page. Failure to do so will result in processing delays and a non-issued policy.

**Step 11:  
Producer Statement/  
Conditional  
Premium Receipt**

Don't forget to complete this section. Be sure to include your contact information or a designated contact so we can reach you if we have questions or need additional information.

Examples of applications that should NOT be submitted:

- The applicant tells you that he or she has COPD and is a moderate smoker, on medication.\* Referring to the Individual Consideration Guidelines, you find that the applicant would be declined from coverage. DO NOT submit the application as a policy would not be issued under these circumstances
- The applicant tells you that he or she is taking the medication Aricept. Referring to the Medications list, you find that this medication is given for Alzheimer's Disease. DO NOT submit the application
- The applicant is over or under our height and weight guidelines. For example, the applicant is 5 feet, 275 pounds. Referring to our weight guidelines, you find that our maximum weight for this height is 220 pounds. The applicant's weight makes him or her uninsurable, and the policy will not be issued

**NOTE:** Multiple medical conditions and multiple medication usage may be concerning. If the applicant informs you about medications that are currently being taken, but he or she has answered "No" to all of the medical questions, ask the applicant why they take the medication. If he or she tells you about a medical condition, ask for details (i.e., how long he or she had it, treatment, medications or surgery required or planned, and the degree of recovery.)

\*Refer to the Product and Underwriting Guide for details

**Five Ways to Get Your Case Issued Faster**

Here are some tips on how to get your long-term care case issued faster. Also included are things that could delay getting your case issued.

<b>How to Help Your Case Get Issued Faster</b>	<b>Things That Can Delay Your Case From Being Issued</b>
Answer all questions on application	Mail application to incorrect address
Complete and submit all forms	Leave some questions unanswered
Frequently review pending report	Forget to include some forms or submit incomplete forms
Promptly schedule interview (client)	Delay scheduling interview (client)
Intervene with doctor’s office delays (agent or client)	Delay copying/releasing medical records (doctor’s office)

Section-by-section instructions for application completion are provided on the following pages. Be sure to use the most current application approved for the state(s) where you are writing business.

We also suggest you use our e-application to submit business. It allows you to complete the application in good order and ensures you are using the correct forms. The e-application can be downloaded on Sales Professional Access.

**Application Cover Sheet**

The Application Cover Sheet is a critical component of the application process. Make certain to follow the instructions and complete the requirements listed on the cover sheet, including:

- Tear out and leave with the applicant the indicated forms
- Submit the remainder of the packet intact with every question on the application and applicable forms completed. Unanswered questions or missing or incomplete forms will result in underwriting delays as we attempt to secure the information
- If the question does not apply to your client, answer it as “No” or “None” rather than “N/A”
- If the applicant answers “Yes” to any question in Section D, he or she is ineligible for coverage. Do not submit the application
- Include a copy of your quote with the packet


- Indicate on the application the best time to contact the applicant to schedule the interview and inform the applicant of the telephone interview or face-to-face interview process. Provide the applicant with a copy of the Preparing for the Health Interview (Next Steps) brochure.

**MUTUAL OF OMAHA INSURANCE COMPANY**

**MutualCare® Solutions**

**Application for Long-Term Care Insurance**

**STATE**



---

Application Package Contains:

Required Forms to be Submitted	
Long-Term Care Personal Worksheet	Must complete, sign and submit with application. This worksheet helps determine whether a Long-Term Care policy is suitable.
Application	<ol style="list-style-type: none"> <li>Sections A-H must be answered in full. Notes: Any changes must be initiated. Check height/weight build chart to ensure client eligibility. If the applicant wishes to provide an alternate mailing address other than the legal residence address shown on the application, please contact the service office at 1-877-894-2478.</li> <li>Choose to complete either Section I or J.</li> <li>Section K - Enter the amount of premium and billing mode. Notes: At least two months premium must be submitted with monthly mode. If another mode is selected, submit applicable premium for that mode. There is no policy fee.</li> <li>Sections L-M must be answered in full.</li> </ol>
Authorization to Disclose Personal Information (HIPAA)	Producer Statement
	Conditional Receipt or TIA <i>(applicable if initial payment provided with app)</i> (TIA states include: AL, CO, ID, KS, NV, OH, OR, PA, UT)
	Replacement Notice <i>(if applicable)</i>

Required Forms to be Left with Applicant(s)			
Replacement Notice <i>(if applicable)</i>	Conditional Receipt or TIA <i>(applicable if initial payment provided with app)</i>	MIB Inc. Pre-Notice	Company Notice of Information Practices <i>(required in GA, IL, KS, MD, MA, MN, NV, NC, OH, OR, VA)</i>
Things You Should Know Before You Buy Long-Term Care Insurance	Long-Term Care Insurance Potential Rate Increase Disclosure Form	Partnership Notices, Senior Health Counseling Notices and any State Special forms would be included within state special app packages <i>(where applicable)</i>	Outline of Coverage

Not Contained within this Application Package:

Required Forms to be Left with Applicant(s) that are Not Included within this Package	
LTC Shopper's Guide <i>(Not included within this package. Please provide in addition.)</i>	Guide to Medicare for People Age 65 and Older <i>(Not included within this package. If applicable, please provide in addition.)</i>

MAP622\_ST

our client(s) that we will conduct a telephone interview or face to face interview. Item a copy of "Preparing for the Personal Health Interview" included as last page package.

pleting the application, you, the producer, should call 1-866-544-1617 to initiate a Health Interview.

red questions on the application or missing or incomplete forms will result in delays as we attempt to secure the information.

tion does not apply to your client, answer it as "No" or "None" rather than "N/A." Applicant answers "Yes" to any question in Section D, he/she is ineligible for coverage.

view of our application and underwriting guide you are unable to determine how long will handle a case, you may obtain additional guidance by calling 1-800-551-1111 sending an e-mail to [ltcunderwriting@mutualofomaha.com](mailto:ltcunderwriting@mutualofomaha.com). Please do not call until you have reviewed both the application and our underwriting guide to learn how to handle the specific condition(s). To discuss a potential client the underwriter to know the client's age, height and weight, tobacco status for the past two years, all health conditions, and whether or not the client has previously been covered for coverage, and if so, why.

eneficial to send include a copy of illustration with the application.

the fully completed application, and applicable completed forms to:

regular mail submission: | For overnight submission:  
 Long-Term Care Service Office | Long-Term Care Service Office  
 P.O. Box 64901 | 7805 Hudson Rd., Ste. 180  
 Paul, MN 55164-0901 | Woodbury, MN 55125-1591

Submission, you, the producer, must:

Use the maximum resolution to ensure the readability of the application/forms;  
 Fax to 1-888-539-4672 and verify that the correct fax number is dialed to protect the privacy of the information contained in the application/forms;  
 Send a copy of the initial premium check as the last page of the fax;

- Retain the initial premium check collected with the application until a policy number has been assigned. A policy number is usually assigned within three workdays and can be found on Sales Professional Access status reports. Then write the policy number on the check and mail the check to: Mutual of Omaha, P.O. Box 30154, Omaha, NE 68103-1254; and
- Retain the original application/forms in a secured location for at least 90 days to ensure we get through the underwriting process and avoid any legibility issues. Do not also send a paper copy of a faxed application/forms.



## 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 fill out part of the information on this worksheet and **ask** you to fill out the rest to help you and the company decide if you should buy this policy.

### Premium Information

Policy Form Number(s) ICC13-LTC13

Type of Policy: Guaranteed Renewable

Applicant A

The premium for the coverage you are considering will be \$ 448.79 per month, or \$ 4,986.70 per year.

Applicant B

The premium for the coverage you are considering will be \$ 772.35 per month, or \$ 8,581.77 per year.

### The Company's Right to Increase Premiums

The company has a right to increase premiums on this policy form in the future, provided it raises rates for all policies in the same class in this state. Once your policy is paid up, the company cannot raise your rates.

### Rate Increase History

The company has sold long-term care insurance since 1987 and has sold this policy form since 2013. The company has not raised its premium rates on this policy form, but has on similar policy forms in the last 10 years. The following is a summary of the rate increases for comprehensive coverage that the company has sold.

Policy Form*	Years Available for Purchase	Rate History
NH23/NH24	1987 - 1993	No Rate Increase
LTC1/LTM1	1992 - 1997	No Rate Increase
NHA/LTA/HCA	1998 - 2004	28% overall rate increase 2003-2007
LT50/NH50/NHA/LTA/HCA	1997 - 2004	24% overall rate increase 2011
LT50/NH50/NHA/LTA/HCA	1997 - 2004	7% overall rate increase 2012
LTC04I	2004 - Present	19% overall rate increase 2013
LTC04G	2004 - Present	22% overall rate increase 2013 (for issues prior to 8/1/2007)
LTC04I7	2006 - 2009	No Rate Increase
LTC09M	2009 - Present	No Rate Increase
ICC13-LTC13	2013 - Present	No Rate Increase

The rate increases listed above represent the overall comprehensive rate increases filed nationally. The availability, rate increase amounts, and dates of approvals vary by state.

\*Or state equivalent.

ICC13-M28366

**SUBMIT TO LTC SERVICE OFFICE**

**Personal Worksheet** Complete the Long-Term Care Insurance Personal Worksheet.

**Questions Related to Your Income**

Applicant A

1. How will you pay each year's premium?  
 From my Income  
 From my Savings/Investments  
 My Family will Pay
2. Have you considered whether you could afford to keep this policy if the premiums went up, for example, by 20%?  
 Yes  
 No - *If you have not considered this possibility, please do not proceed with the application until doing so.*
3. What is your annual income? (Check one)  
 Under \$10,000       \$10,000-\$20,000  
 \$20,001-\$30,000       \$30,001-\$50,000  
 Over \$50,000
4. 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 with money received only 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.*

5. Will you buy inflation protection? (Check one)  
 Yes       No
- If not, have you considered how you will pay for the difference between future costs and your daily benefit amount?  
 From my Income  
 From my Savings/Investments  
 My Family will Pay

*The national average annual cost of nursing home care in 2010 was \$87,729, but this figure varies across the country. In ten years the national average annual cost would be about \$142,900 if costs increase 5% annually.*

6. What elimination period are you considering?  
 Number of days 60  
 Approximate cost \$10,000 for that period of care.

*Multiply the number of days by the approximate daily cost of care.*

7. How are you planning to pay for your care during the elimination period? (Check one)  
 From my Income  
 From my Savings/Investments  
 My Family will Pay

Applicant B

1. How will you pay each year's premium?  
 From my Income  
 From my Savings/Investments  
 My Family will Pay
2. Have you considered whether you could afford to keep this policy if the premiums went up, for example, by 20%?  
 Yes  
 No - *If you have not considered this possibility, please do not proceed with the application until doing so.*
3. What is your annual income? (Check one)  
 Under \$10,000       \$10,000-\$20,000  
 \$20,001-\$30,000       \$30,001-\$50,000  
 Over \$50,000
4. How do you expect your income to change over the next 10 years? (Check one)  
 No Change       Increase       Decrease

5. Will you buy inflation protection? (Check one)  
 Yes       No
- If not, have you considered how you will pay for the difference between future costs and your daily benefit amount?  
 From my Income  
 From my Savings/Investments  
 My Family will Pay

6. What elimination period are you considering?  
 Number of days \_\_\_\_\_ 60  
 Approximate cost \$ \_\_\_\_\_ for 10,000 of care.

7. How are you planning to pay for your care during the elimination period? (Check one)  
 From my Income  
 From my Savings/Investments  
 My Family will Pay

**Questions Related to Your Savings and Investments**

Applicant A

1. Not counting your home, about how much are all your assets (your savings and investments) worth? (Check one)  
 Under \$20,000       \$20,000-\$30,000  
 \$30,001-\$50,000       Over \$50,000
2. How do you expect your assets to change over the next 10 years? (Check one)  
 Stay about the same       Increase       Decrease

*If you are buying this policy to protect your assets and your assets, not counting your home, are less than \$50,000, you may wish to consider other options for financing your long-term care.*

Applicant B

1. Not counting your home, about how much are all your assets (your savings and investments) worth? (Check one)  
 Under \$20,000       \$20,000-\$30,000  
 \$30,001-\$50,000       Over \$50,000
2. How do you expect your assets to change over the next 10 years? (Check one)  
 Stay about the same       Increase       Decrease

ICC13-M28366

**SUBMIT TO LTC SERVICE OFFICE**


**Disclosure Statement**


Applicant A  
(must check one)  
 The answers to the questions on this Personal Worksheet describe my financial situation.  
OR  
 I choose not to complete this information. You may be contacted by a company representative to confirm your decision.


Applicant B  
(must check one)  
 The answers to the questions on this Personal Worksheet describe my financial situation.  
OR  
 I choose not to complete this information. You may be contacted by a company representative to confirm your decision.

Applicant A  
 **◀ THIS BOX MUST BE CHECKED**  
I acknowledge that the carrier and/or its producer (below) has reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. I understand the above disclosures. **I understand that the rates for this policy may increase in the future.**

Applicant B  
 **◀ THIS BOX MUST BE CHECKED**  
I acknowledge that the carrier and/or its producer (below) has reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. I understand the above disclosures. **I understand that the rates for this policy may increase in the future.**

 **X** \_\_\_\_\_ Date  
Signature of Applicant A

 **X** \_\_\_\_\_ Date  
Signature of Applicant B

I explained to the applicant(s) the importance of completing this information.  
**John Q. Agent**  
Printed Name of Producer  
 **X John Q. Agent** \_\_\_\_\_ **9/7/xx**  
Signature of Producer Date

**Authorization to Proceed when Income less than \$20,000 and Assets less than \$50,000**

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

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

 **X John Q. Client** \_\_\_\_\_ **9/7/xx**  
Signature of Applicant A Date

 **X Sara A. Client** \_\_\_\_\_ **9/7/xx**  
Signature of Applicant B Date

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

**Disclosure Statement** Have the applicant(s) sign and date the disclosure statement and provide a copy to the applicant(s).

**Sample Application  
Section A  
General Information**

- 1 Applicant A/  
Applicant B** Clarify with the proposed Insured that this is the name he or she wants to have shown on the records. If the individual has an initial rather than a name, this should be indicated by writing “initial only” above the initial. Please write legibly.
  
- 2 Legal Residence Address** Be sure the proposed Insured’s address is shown clearly and completely. This information is needed for identification purposes. The legal residence determines the state-specific policy and premium.

Section A GENERAL INFORMATION	
Applicant A	Applicant B
<p style="font-size: small;">INDIVIDUAL LONG-TERM CARE INSURANCE APPLICATION</p> <p><b>MUTUAL OF OMAHA INSURANCE COMPANY</b> Mutual of Omaha Plaza, Omaha, NE 68175</p> <p style="text-align: right;"> Mutual of Omaha</p> <p><b>Submit Application To:</b> Long-Term Care Service Office, P.O. Box 64901, St. Paul, MN 55164-0901 <b>Overnight Submission:</b> Long-Term Care Service Office, 7805 Hudson Rd., Ste. 180, Woodbury, MN 55125-1591</p> <p> <input type="checkbox"/> New Business      <input type="checkbox"/> Sponsored/Association Group  <input type="checkbox"/> Reinstatement      <input type="checkbox"/> Common Employer  <input type="checkbox"/>                              <input type="checkbox"/> Producer         </p> <p style="font-size: x-small;">Each Applicant acknowledges and agrees that if there is more than one Applicant on this application, all information provided may be reviewed or shared with the other Applicant. A completed and signed application will become part of each applicant’s policy.</p>	
<p><b>1 Name:</b> <u>Client</u> Last Name</p> <p><u>John</u>                              <u>T</u> First Name                              Middle Initial</p>	<p><b>1 Name:</b> <u>Client</u> Last Name</p> <p><u>Sara</u>                              <u>A</u> First Name                              Middle Initial</p>
<p><b>2 Legal Residence Address:</b> <u>7800 N 90th Ave</u> Number, Street, Apartment Number</p> <p><u>Any City, NE 68107</u> City, State, ZIP Code</p>	<p><b>2 Legal Residence Address (If Different than Applicant A):</b> _____ Number, Street, Apartment Number</p> <p>_____ City, State, ZIP Code</p>
<p><b>3 Contact Information:</b> <u>402 351 7600</u>      <u>402 740 1234</u> Daytime Phone Number      Evening Phone Number</p> <p>:      a.m.                              6:00      p.m.</p> <p style="font-size: x-small;">Best Time to Call Within a 2-Hour Window (i.e., if 5p.m. is indicated, contact window is from 5:00-7:00 p.m.)</p> <p><u>Jtclient@email.com</u> Email Address</p>	<p><b>3 Contact Information (If Different than Applicant A):</b> (   )      -      (   )      -</p> <p>Daytime Phone Number      Evening Phone Number</p> <p>:      a.m.                              :      p.m.</p> <p style="font-size: x-small;">Best Time to Call Within a 2-Hour Window (i.e., if 5p.m. is indicated, contact window is from 5:00-7:00 p.m.)</p> <p><u>saraclient@email.com</u> Email Address</p>
<p><b>4 Social Security Number:</b> 1 2 3 - 4 5 - 6 7 8 9</p>	<p><b>4 Social Security Number:</b> 9 8 7 - 6 5 - 3 4 2 1</p>
<p><b>5 Birth Date, Age and Sex:</b> 0 1 / 2 2 / 1 9 x x      6 6 Month      Day      Year      Age</p> <p><input type="checkbox"/> Male      <input type="checkbox"/> Female</p>	<p><b>5 Birth Date, Age and Sex:</b> 0 2 / 1 2 / 1 9 x x      6 2 Month      Day      Year      Age</p> <p><input type="checkbox"/> Male      <input type="checkbox"/> Female</p>
<p><b>6 Occupation and Duties:</b> <u>Retired</u> Occupation</p> <p>_____ Occupational Duties</p>	<p><b>6 Occupation and Duties:</b> <u>Retired</u> Occupation</p> <p>_____ Occupational Duties</p>

**3 Contact Information/  
Phone Number/ Best  
Time To Call/Email**

The phone number listed here is used for telephone interviews (inspections) and is also added to Mutual’s records to assist us in servicing clients. Be sure to include the area code. The time to call should be accurate. Surveys have indicated that at least 80 percent of the applicants are actually contacted on the first attempt when this information is accurately recorded, which speeds up the overall underwriting time.

If the proposed Insured has an email address, it should be listed here.

**4 & 5 Social Security,  
Birth Date, Age  
and Gender**

Complete the Social Security, date of birth age and gender boxes.

**NOTE:** The Social Security number is required by law.

**6 Occupation  
and Duties**

Complete the occupation title and description of occupational duties section.

Section A (continued)		GENERAL INFORMATION	
Applicant A		Applicant B	
<b>7</b>	<b>Citizenship Status</b> (check one): <input checked="" type="checkbox"/> U.S. Citizen, or  <input type="checkbox"/> Permanent Resident (Form I-551) Cardholder who has resided in the U.S. at least 3 consecutive years. If checked, please complete Foreign Travel Questionnaire.  <input type="checkbox"/> Neither, you are not eligible for this coverage.	<b>7</b>	<b>Citizenship Status</b> (check one): <input checked="" type="checkbox"/> U.S. Citizen, or  <input type="checkbox"/> Permanent Resident (Form I-551) Cardholder who has resided in the U.S. at least 3 consecutive years. If checked, please complete Foreign Travel Questionnaire.  <input type="checkbox"/> Neither, you are not eligible for this coverage.
<b>8</b>	<b>Beneficiary:</b>  Sara A. Client First Name, Middle Initial, Last Name  7800 N. 90th Ave. Number, Street, Apartment Number  Any City, NE 68000 City, State, ZIP Code  Spouse Relationship to You	<b>8</b>	<b>Beneficiary (If Different than Applicant A):</b>   First Name, Middle Initial, Last Name   Number, Street, Apartment Number   City, State, ZIP Code   Relationship to You

**7 Citizenship Questions**

Be sure that the questions referring to United States citizenship are answered fully. If the applicant is not a citizen, complete his or her date of arrival in the U.S. We must also know whether he or she has a permanent resident card (“green card”). If the proposed Insured does have a green card, fill in the number in the space provided.

The proposed Insured is not eligible for coverage if he or she is not a citizen or does not have a green card.

**NOTE:** The proposed Insured must have resided continuously in the United States for three years to be eligible for coverage.

Include the Foreign National and Foreign Travel Questionnaire (L5719) with the application for applicants who meet residency requirements.

**8 Beneficiary**

If the applicant wants to designate a beneficiary, complete the name, complete address, city, state and ZIP Code and Relationship details in the Beneficiary section.

<b>Section B</b>		<b>ALLOWANCES</b>			
<b>You may be eligible for allowances based on your answers to the following questions in this Section B.</b>		<b>Applicant A</b>		<b>Applicant B</b>	
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>1</b>	Do you have a Partner?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," complete (a) and (b):				
	(a) Is he/she also applying for this coverage?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," provide full name only if not applying on this application	<input type="text"/>		<input type="text"/>	
	(b) Does he/she have an existing Mutual of Omaha Insurance Company or United of Omaha Life Insurance Company Long-Term Care policy/certificate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," provide existing long-term care policy/certificate number(s)	<input type="text"/>		<input type="text"/>	
<b>2</b>	Are you or your Partner* a member of a Sponsored/Association Group endorsing this long-term care product?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," provide:				
	Group Number	<input type="text" value="0"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Full Name of Organization	<input type="text"/>			
	Name and Relationship to Member	<input type="text"/>			
	Membership Number	<input type="text"/>			
	Membership Effective Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Month			Year	
<b>3</b>	Are you eligible for an employer allowance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," provide:				
	Group Number	<input type="text" value="0"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Group Name	<input type="text"/>			
	Employment Date	<input type="text"/>			

\*Partner means the one person who is: (a) your spouse to whom you are legally married; (b) your registered domestic partner or civil union partner; or (c) an adult person who: 1. shares a serious and committed personal relationship with you that is intended to be lifelong; 2. has shared a common permanent residence with you on a continuous basis for the most recent three years; 3. is not married, a domestic partner, a civil union partner, or in a committed personal relationship to anyone else; and 4. is not related to you in any way that would bar marriage in the state where you and he or she reside.

ICC13-MA6012 **SUBMIT TO LTC SERVICE OFFICE**

**Section B Allowances** Complete this section for both Applicant A and/or Applicant B. Based upon the statements, the applicants may qualify for premium allowances.

**Section C REPLACEMENT COVERAGE**

<b>Provide Replacement Coverage Information.</b>		<b>Applicant A</b>		<b>Applicant B</b>	
<b>1</b>	Do you currently have another long-term care insurance policy/certificate in force (including health care service contracts or health maintenance organization contracts)? .....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>2</b>	Did you have another long-term care insurance policy/certificate in force during the last 12 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>3</b>	Do you intend to replace other long-term care coverage or any of your medical or health insurance coverage with this policy? ..... If "Yes," please read and sign the Notice to Applicant Regarding Replacement form included with this application.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4</b>	<b>Question to be answered by the Producer:</b> Have you, <b>the Producer</b> , sold any health insurance, including long-term care policies, to Applicant A or Applicant B which: are still in force; or were sold in the last five years but are no longer in force?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**If any question 1-4 was answered "Yes," in the above Section C, please provide details in C5 below.**  
(Attach additional signed page(s) if more space is needed.)

<b>5</b>	<b>Applicant</b>	<b>Company Name/Address</b>	<b>Policy/Certificate #</b>	<b>Plan Type *</b>	<b>Daily or Monthly Benefit</b>	<b>Status of Policy/Certificate</b>	<b>Annual Premium</b>	<b>To be Replaced by this Coverage</b>	<b>Sold by this Producer</b>
	<input type="checkbox"/> A <input type="checkbox"/> B				\$	<input type="checkbox"/> Pending <input type="checkbox"/> In Force <input type="checkbox"/> Terminated <input type="checkbox"/> Lapsed Ending Date _____/_____/_____	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> A <input type="checkbox"/> B				\$	<input type="checkbox"/> Pending <input type="checkbox"/> In Force <input type="checkbox"/> Terminated <input type="checkbox"/> Lapsed Ending Date _____/_____/_____	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> A <input type="checkbox"/> B				\$	<input type="checkbox"/> Pending <input type="checkbox"/> In Force <input type="checkbox"/> Terminated <input type="checkbox"/> Lapsed Ending Date _____/_____/_____	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

\* Provide Plan Type abbreviation: LTC=Long-Term Care, MS=Medicare Supplement, MM=Major Medical, OH=Other Health

<b>6</b> Have you ever been declined, rated, or denied reinstatement for long-term care insurance? ..... If "Yes," provide details below. (Attach additional signed page(s) if more space is needed.)				<b>Applicant A</b>		<b>Applicant B</b>	
				Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Applicant</b>	<b>Company Name(s)</b>	<b>When</b>	<b>Why</b>				
<input type="checkbox"/> A <input type="checkbox"/> B							
<input type="checkbox"/> A <input type="checkbox"/> B							

**Section C Replacement Coverage** This section is critical. We need to know if the application is replacing existing coverage. If it is a replacement, the effective date for the replacement is critical to avoid any gaps or overlap in coverage.

We will accept applications for replacement of existing coverage up to 60 days prior to the requested replacement date.

**Example:** Existing coverage paid to 6/1.

Application for replacement can be submitted no earlier than 4/1.

**NOTE:** If a question does not apply, check the “No” box.

<b>Section D HEALTH INSURABILITY QUESTIONS</b>		<b>Applicant A</b>		<b>Applicant B</b>	
If you answer “Yes” to any of the questions in this Section D, we are unable to accept this application or offer you Long-Term Care Insurance. Do not continue.		Yes	No	Yes	No
<b>1</b>	Are you age 65 or older and has it been more than 2 years since you have had a doctor’s visit which included a head to toe physical examination with blood work (basic metabolic chemistry panel)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>2</b>	Do you currently use any of the following?..... <ul style="list-style-type: none"> <li>• quad cane    • walker    • wheelchair    • electric scooter    • stairlift</li> <li>• hospital bed    • respirator    • nebulizer    • oxygen (including supplemental CPAP use)</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>3</b>	Within the past 6 months have you been confined to, used, or been advised to have, any of the following?..... <ul style="list-style-type: none"> <li>• residential care, assisted living or adult day care facility services</li> <li>• nursing home or home health care services</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4</b>	Do you require the assistance or supervision of another person or a device of any kind for any of the following?..... <ul style="list-style-type: none"> <li>• bathing    • toileting    • dressing    • eating    • medication management</li> <li>• getting in and out of a chair or bed    • your inability to control your bowel or bladder</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5</b>	Have you ever had, been diagnosed as having, or received medical advice or medical care from a physician or health care provider for any of the following?..... <ul style="list-style-type: none"> <li>• Alzheimer’s Disease                      • Huntington’s Chorea                      • Parkinson’s Disease</li> <li>• Dementia                                      • Chronic Hepatitis                              • Systemic Lupus</li> <li>• Memory Loss                                      • Cirrhosis                                      • Multiple Sclerosis (MS)</li> <li>• Mild Cognitive Impairment                      • Hydrocephalus                                      • Muscular Dystrophy</li> <li>• Organic Brain Syndrome                      • Multiple Myeloma                                      • Myasthenia Gravis</li> <li>• Schizophrenia                                      • Psychosis                                      • Scleroderma</li> <li>• Mental Retardation                                      • Organ Transplant                                      • Paralysis</li> <li>• Connective Tissue Disease                      • Amyotrophic Lateral Sclerosis (ALS, Lou Gehrig’s Disease)</li> <li>• Kidney Failure or received Dialysis</li> <li>• Ministroke or Transient Ischemic Attack (TIA) in the past year, single episode stroke in the past 2 years, 2 or more strokes or TIAs, or you have not fully recovered or continue to have weakness, decreased sensation or loss of function from a stroke or TIA</li> <li>• Diabetes and currently taking [more than 50 units of] insulin daily, [or have taken any dosage of insulin for more than 10 years,] or with peripheral neuropathy, numbness, tingling or decreased sensation in your feet, retinopathy or history of a stroke, ministroke or a TIA</li> <li>• Cancer (except basal or squamous cell skin cancers, or stage I/A bladder, thyroid, breast or prostate cancers) in the past 2 years</li> <li>• Chronic Obstructive Pulmonary Disease (COPD), Emphysema or Chronic Bronchitis and have used tobacco in the past year</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6</b>	Have you been diagnosed or treated by a member of the medical profession as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or Human Immunodeficiency Virus (HIV) Infection (symptomatic or asymptomatic)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b>	Do you currently qualify for payment or are you receiving payment benefits under Medicaid (not Medicare), disability income plan, workers’ compensation, Social Security disability or any federal or state disability plan? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Section D Health Insurability Questions**

It is important to ask all of the questions in this section. If the proposed Insured answers “Yes” to ANY of the questions 1-7 in Section D, do not continue the application process. We will be unable to accept the application or offer a long-term care policy to the applicant.

Provide physician information, including date and reason for last visit.



Section E PRIMARY PHYSICIAN INFORMATION AND MEDICATION	
Applicant A	Applicant B
<p><b>1</b> Provide the name, address and phone number of your primary physician if you have consulted within the last 10 years:</p> <p>Avery G. Physician  Primary Name  213 Oak St.  Address  Omaha, NE 68102  City, State, ZIP Code  402-300-5400  Phone Number</p>	<p><b>1</b> Provide the name, address and phone number of your primary physician if you have consulted within the last 10 years (If Different than Applicant A):</p> <p>Judy T. Doctor  Primary Name  2406 Aspen Dr.  Address  Omaha, NE 68102  City, State, ZIP Code  402-400-1000  Phone Number</p>
<p><b>2</b> Date of Last Visit:</p> <p>0 7 / 2 0 x x  Month Year</p>	<p><b>2</b> Date of Last Visit:</p> <p>0 7 / 2 0 x x  Month Year</p>
<p><b>3</b> Why did you last see this physician?</p> <p>Physical Exam</p>	<p><b>3</b> Why did you last see this physician?</p> <p>Physical Exam</p>
<p><b>4</b> Date of last complete physical exam and blood work (basic metabolic chemistry panel) in the last 2 years:</p> <p>0 7 / 2 0 x x  Month Year</p>	<p><b>4</b> Date of last complete physical exam and blood work (basic metabolic chemistry panel) in the last 2 years:</p> <p>0 7 / 2 0 x x  Month Year</p>
<p><b>5</b> Medication:</p> <p>Are you taking or have you taken any prescription medication(s) within the past 12 months, or are you currently taking any over-the-counter medication(s) on a weekly basis or more frequently?</p> <p><input checked="" type="checkbox"/> Yes, details provided on next page.  <input type="checkbox"/> No</p>	<p><b>5</b> Medication:</p> <p>Are you taking or have you taken any prescription medication(s) within the past 12 months, or are you currently taking any over-the-counter medication(s) on a weekly basis or more frequently?</p> <p><input type="checkbox"/> Yes, details provided on next page.  <input checked="" type="checkbox"/> No</p>
<p>If "Yes," to question 5, please list on the next page all the medication name(s) using pharmacy label, dosage, how often you take, how long have you taken, prescribed by, why you take, when and why for any dosage increase or decrease. (Attach additional signed page(s) if more space is needed.)</p>	

**Sections E & F  
Primary Care Physician  
Information and Medication**

Provide physician information, including date and reason for last visit. If any medications are listed in this section, an APS may be needed to determine the reasons for the medications. Be sure to record the dosage, frequency and reason for taking all medications.

**Section F**

**MEDICATION INFORMATION**

Please list all over-the-counter or prescription medications you have taken in the past 12 months in the table below.

**Applicant A**

Medication Name (copy off pharmacy label)	Dosage	How often do you take?	How long have you taken?	Prescribed by Primary Physician? If no, provide below.	Why do you take this medication? (Diagnosis/Condition)
Synthroid hypothyroidism	.05 mg	daily	5 yrs.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	

Explain when and why if your dosage was increased or decreased in the past 12 months on any medications you listed above. Also provide medication name and prescribing physician name, address and phone number if other than your primary physician.

**Applicant B**

Medication Name (copy off pharmacy label)	Dosage	How often do you take?	How long have you taken?	Prescribed by Primary Physician? If no, provide below.	Why do you take this medication? (Diagnosis/Condition)
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	

Explain when and why if your dosage was increased or decreased in the past 12 months on any medications you listed above. Also provide medication name and prescribing physician name, address and phone number if other than your primary physician.

**Section G ADDITIONAL HEALTH QUESTIONS**

	Applicant A		Applicant B	
	Yes	No	Yes	No
<b>1</b> Have you ever received any advice, treatment, consultation or diagnosis from a physician or health care provider for any of the following conditions? The following conditions require a stability period ranging from 3 months to 5 years to be eligible for coverage. Refer to our Underwriting Guidelines to insure the stability period has been met.				
(a) Vision Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Dizziness/Vertigo or Fainting .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Head Injury, Nerve Damage or other Neurological Disease/Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Fibromyalgia, Weakness or Fatigue .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Stroke, Transient Ischemic Attack, Aneurysm, Carotid or Circulatory Disease/Disorder.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) Seizure, Epilepsy or Tremors .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) Depression, Anxiety or other Mental Disorder.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) Lung Disease/Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) Heart Rhythm, Heart Valve, Coronary Artery or Heart Disease/Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(j) High Blood Pressure .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(k) Anemia, Blood Clotting or Blood Disease/Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(l) Arthritis, Broken Bone, Back, Spinal Stenosis, Scoliosis, Bone or Joint Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(m) Chronic Pain, Amputation or Polymyalgia Rheumatica .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(n) Osteoporosis or Osteopenia .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(o) Balance Disorder, Difficulty Walking or Falls .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(p) Cancer, Leukemia or Lymphoma.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(q) Diabetes.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(r) Immune System Disease/Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(s) Kidney Disease/Disorder .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(t) Hepatitis or Liver Disease/Disorder.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(u) Shingles .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Incontinence or other Bowel or Bladder Disease/Disorder.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>2</b> In the past 5 years have you been diagnosed with, treated for, had testing for, or consulted with a medical professional for conditions or symptoms not listed above? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>3</b> Do you have, for your use, a handicap parking sticker or handicap license plate? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4</b> In the past 3 years has a medical professional referred you to a specialist for additional consultation, testing, or surgery? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5</b> Are you scheduled for a visit with a medical professional within the next 6 months?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6</b> Have you been seen by your physician, health care provider or any specialist more than three times in the past 12 months?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b> Have you received inpatient or outpatient treatment at a hospital, surgical center, or rehabilitation facility in the past 12 months?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>8</b> What is your height? .....	6' 2"		5' 5"	
<b>9</b> What is your weight? .....	190 lbs		135 lbs	
<b>10</b> Have you had an unplanned weight change in the past 12 months? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Section G Additional Health Questions** Make certain to ask each of the ten questions in this section. For all questions answered “Yes,” provide details in the space provided following these questions, including:

- Disease/Disorder/Condition
- Date of Occurrence/Date of Last Visit
- Physician/Facility Information

**Section G (continued)**

**ADDITIONAL HEALTH QUESTIONS**

If "Yes," to any additional health questions in Section G, please provide the following for each "Yes" answer below.  
 (Attach additional signed page(s) if more space is needed.)

**Applicant A**

Health Condition	Month/Year Diagnosed	Month/Year for Last Visit	Reason for Last Visit	Month/Year for Next Visit	Reason for Next Visit	Physician or Facility Name, Address and Phone Number
QUES # <u>5</u> Annual Exam	_____	10/xx	exam	10/xx	exam	Avery G. Physician 213 Oak St. Omaha, NE 68102 402-333-5421
QUES # _____						
QUES # _____						
QUES # _____						

**Applicant B**

QUES # _____						
QUES # _____						
QUES # _____						
QUES # _____						

<b>Section H MEDICAL HEALTH HISTORY</b>		<b>Applicant A</b>		<b>Applicant B</b>	
<b>1</b>	To the best of your knowledge has your biological mother, father, or sibling been diagnosed with Alzheimer's Disease or other form of dementia?.....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>2</b>	To the best of your knowledge has your biological mother, father, or sibling been diagnosed with Huntington's Disease? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>3</b>	Have you been hospitalized or had surgery in the past 3 years? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes,"				
	Why? .....				
	When? .....				
<b>4</b>	Have you been advised by a member of the medical profession to have surgery not yet completed within the next 5 years?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes,"				
	Why? .....				
	When? .....				
<b>5</b>	Have you received physical, occupational or speech therapy in the past 6 months? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes,"				
	Why? .....				
	Date of last therapy? .....				
	Will additional therapy be needed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>6</b>	Have you ever been diagnosed, treated, tested positive for, or been given medical advice by a member of the medical profession for sleep apnea? ....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," do you use CPAP, BiPAP, or a dental device? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	If "Yes," how often do you use it? .....				
<b>7</b>	Have you used insulin in the past 6 months? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes,"				
	Units used each day?.....				
	Year insulin was first prescribed? .....				
<b>8</b>	Have you ever used tobacco? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," date last used? .....				
<b>9</b>	During the last 10 years, have you ever used unlawful drugs, or used prescription medications other than as prescribed by your doctor? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes,"				
	Substance?.....				
	Date last used?.....				
<b>10</b>	Have you ever received medical treatment, counseling or been hospitalized for drug use?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes," date last treatment, consultation or hospitalization?.....				
<b>11</b>	Do you regularly consume 4 or more alcoholic beverages per day, or do you drink 5 or more drinks per day, 1 or more days per week? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>12</b>	Have you ever received medical treatment, counseling or been hospitalized for alcohol use? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	If "Yes,"				
	Month and year of treatment, consultation or hospitalization? .....				
	Month and year you last consumed alcohol?.....				

**Section H Medical Health History** Both applicants must complete the Medical Health History section, answering "Yes" or "No" to each question.

**Section I** For MutualCare® Secure Solution, make certain to check the appropriate boxes in Section I.  
**MutualCare®**  
**Secure Solution**

**INSTRUCTIONS: Complete Section I for MUTUALCARE SECURE SOLUTION – OR – Section J for MUTUALCARE CUSTOM SOLUTION.**

Benefit abbreviation key: NH=Nursing Home, ALF=Assisted Living Facility, HHC=Home Health Care, MMB=Maximum Monthly Benefit

**Section I MUTUALCARE SECURE SOLUTION**

**Applicant A** **Applicant B (If selecting Shared Care Benefit, benefits must be identical to Applicant A)**

**MutualCare Secure Solution**

**MutualCare Secure Solution**

Standard MutualCare Secure Solution Benefits:

- NH, ALF and HHC Benefits are each up to 100% of the MMB
- Cash Benefit is 30% of HHC Benefit up to a maximum of \$2,400
- 90-Day Elimination Period

**1 Maximum Monthly Benefit (MMB) (must enter):**  
 \$     per month  
 (\$1,500-\$10,000 in \$1 increments)

**1 Maximum Monthly Benefit (MMB) (must enter):**  
 \$     per month  
 (\$1,500-\$10,000 in \$1 increments)

**2 Policy Limit = number of months selected (must check one) multiplied by the MMB:**

24 months (2 Year)  
 36 months (3 Year)  
 48 months (4 Year)  
 60 months (5 Year)

**2 Policy Limit = number of months selected (must check one) multiplied by the MMB:**

24 months (2 Year)  
 36 months (3 Year)  
 48 months (4 Year)  
 60 months (5 Year)

**3 Compound Inflation Protection Benefit:**

5% Compound Lifetime Benefit (must check "YES" or "NO") If "NO," signature required:

**YES, I am selecting the 5% Compound Inflation Protection Lifetime Benefit**


**NO, 5% Compound Inflation Protection Lifetime Benefit is NOT desired:** I have reviewed the Outline of Coverage and the graphs that compare the benefits and premiums of this policy with and without the 5% Compound Inflation Protection Lifetime Benefit option. Specifically, I have reviewed the option for Compound Inflation increases, and I reject the 5% Compound Inflation Protection Lifetime Benefit option.


**3 Compound Inflation Protection Benefit:**

5% Compound Lifetime Benefit (must check "YES" or "NO") If "NO," signature required:

**YES, I am selecting the 5% Compound Inflation Protection Lifetime Benefit**

**NO, 5% Compound Inflation Protection Lifetime Benefit is NOT desired:** I have reviewed the Outline of Coverage and the graphs that compare the benefits and premiums of this policy with and without the 5% Compound Inflation Protection Lifetime Benefit option. Specifically, I have reviewed the option for Compound Inflation increases, and I reject the 5% Compound Inflation Protection Lifetime Benefit option.

 \_\_\_\_\_  
 Signature of Applicant A

 \_\_\_\_\_  
 Signature of Applicant B

**If you selected "NO" to the 5% Compound Lifetime Benefit, check one Inflation Option below:**

**If you selected "NO" to the 5% Compound Lifetime Benefit, check one Inflation Option below:**

- No Inflation Protection  
 3% Lifetime Benefit  
 4% Lifetime Benefit  
 3% Limited Period Benefit - 20 Year  
 5% Limited Period Benefit - 20 Year

- No Inflation Protection  
 3% Lifetime Benefit  
 4% Lifetime Benefit  
 3% Limited Period Benefit - 20 Year  
 5% Limited Period Benefit - 20 Year

**4 Nonforfeiture Benefit – Shortened Benefit Period (must check "YES" or "NO"):**

**YES**

**NO, Nonforfeiture Benefit – Shortened Benefit Period option is NOT desired:** I have reviewed the Outline of Coverage and compared the benefits and premiums of this policy with and without the Nonforfeiture Option(s) that have been made available and I reject the Nonforfeiture Benefit – Shortened Benefit Period option that is available.

**4 Nonforfeiture Benefit – Shortened Benefit Period (must check "YES" or "NO"):**

**YES**

**NO, Nonforfeiture Benefit – Shortened Benefit Period option is NOT desired:** I have reviewed the Outline of Coverage and compared the benefits and premiums of this policy with and without the Nonforfeiture Option(s) that have been made available and I reject the Nonforfeiture Benefit – Shortened Benefit Period option that is available.

1. The Maximum Monthly Benefit (MMB) amount must be entered in the appropriate box (\$1,500 – \$10,000 in \$1 increments)
2. Choose the policy limit which is equal to the number of months selected multiplied by the MMB.
3. Select the Compound Inflation Protection benefit. Reminder: The five percent compound inflation option must be offered to all applicants. If not elected, the applicant must check the “No” box and then choose an alternate inflation protection option.
4. For the Nonforfeiture Benefit-Shortened Benefit Period box, the applicant(s) must check either “Yes” or “No.”
5. If the applicant wants a reduced ALF benefit, select either 75 percent or 50 percent.
6. If the applicant wants a reduced HHC benefit, select either 75 percent or 50 percent.  
**NOTE:** Reducing the HHC benefit will also reduce the Cash benefit.
7. If the applicant does not want a 90-day elimination period (the default), he or she may choose a 180-day or 365-day elimination period.
8. Check this box if the Waiver of Elimination Period for HHC Benefit is elected.
9. Check this box if the Shared Care Benefit is elected. It is available only when both Partners apply at the same time and both policies are issued with identical benefits.

**Complete Section I Optional Benefits for MUTUALCARE SECURE SOLUTION to change or add benefits.**

Benefit abbreviation key: NH=Nursing Home, ALF=Assisted Living Facility, HHC=Home Health Care, MMB=Maximum Monthly Benefit

**Section I (continued) OPTIONAL BENEFITS FOR MUTUALCARE SECURE SOLUTION**

Applicant A	Applicant B
<b>5 ALF Benefit Reduced from 100% of MMB to:</b> <input type="checkbox"/> 75% <input type="checkbox"/> 50%	<b>5 ALF Benefit Reduced from 100% of MMB to:</b> <input type="checkbox"/> 75% <input type="checkbox"/> 50%
<b>6 HHC Benefit Reduced from 100% of MMB to:</b> <input type="checkbox"/> 75% <input type="checkbox"/> 50% Reducing the <b>HHC Benefit</b> will reduce the <b>Cash Benefit</b> .	<b>6 HHC Benefit Reduced from 100% of MMB to:</b> <input type="checkbox"/> 75% <input type="checkbox"/> 50% Reducing the <b>HHC Benefit</b> will reduce the <b>Cash Benefit</b> .
<b>7 Calendar Day Elimination Period:</b> <b>(90-Day Elimination Period is default if no option selected)</b> <input type="checkbox"/> 180 Day <input type="checkbox"/> 365 Day	<b>7 Calendar Day Elimination Period:</b> <b>(90-Day Elimination Period is default if no option selected)</b> <input type="checkbox"/> 180 Day <input type="checkbox"/> 365 Day
<b>8 <input checked="" type="checkbox"/> Waiver of Elimination Period for HHC Benefit</b>	<b>8 <input checked="" type="checkbox"/> Waiver of Elimination Period for HHC Benefit</b>
<b>9 <input checked="" type="checkbox"/> Shared Care Benefit</b> Only available when both Partners apply at the same time and both policies are issued with identical benefits.	<b>9</b>
<b>10 <input type="checkbox"/> Security Benefit</b> Not available for issue ages 70 and older, with Shared Care Benefit or if Partner is applying for this coverage.  Partner's Name _____	<b>10</b>
<b>11 Return of Premium at Death Benefit:</b> <input checked="" type="checkbox"/> 3 x MMB Return of Premium at Death (Minus Claims Paid)	<b>11 Return of Premium at Death Benefit:</b> <input checked="" type="checkbox"/> 3 x MMB Return of Premium at Death (Minus Claims Paid)

**If you completed Section I for MUTUALCARE SECURE SOLUTION – SKIP Section J and continue to Section K.**

- 10. The Security Benefit is only available if the applicant is age 69 or younger, the Shared Care Benefit is not elected, and the Partner is not applying for this coverage.
- 11. Check this box if the Return of Premium at Death Benefit is elected. (not available for issue ages over 64)



**Section J**  
**MutualCare®**  
**Custom Solution**

For MutualCare® Custom Solution, make certain to check the appropriate boxes in Section J.

Complete Section J for MUTUALCARE CUSTOM SOLUTION if Section I for MUTUALCARE SECURE SOLUTION was not selected. Benefit abbreviation key: NH=Nursing Home, ALF=Assisted Living Facility, HHC=Home Health Care, MMB=Maximum Monthly Benefit



<b>Section J MUTUALCARE CUSTOM SOLUTION</b>	
<b>Applicant A</b>	<b>Applicant B</b> (If selecting Shared Care Benefit, benefits must be identical to Applicant A)
<input checked="" type="checkbox"/> <b>MutualCare Custom Solution</b>	<input checked="" type="checkbox"/> <b>MutualCare Custom Solution</b>

Standard MutualCare Custom Solution Benefits:

- NH, ALF and HHC Benefits are each up to 100% of the MMB
- Cash Benefit is 40% of HHC Benefit up to a maximum of \$2,400
- 90-Day Elimination Period

<b>1 Maximum Monthly Benefit (MMB)</b> (must enter): \$ <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> per month ( <b>\$1,500-\$10,000 in \$50 increments</b> )	<b>1 Maximum Monthly Benefit (MMB)</b> (must enter): \$ <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> per month ( <b>\$1,500-\$10,000 in \$50 increments</b> )
--	--

<b>2 Policy Limit</b> (must enter): \$ <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> ( <b>\$50,000-\$500,000 in \$500 increments</b> )	<b>2 Policy Limit</b> (must enter): \$ <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> ( <b>\$50,000-\$500,000 in \$500 increments</b> )
---	---

<p><b>3 Compound Inflation Protection Benefit:</b> 5% Compound Lifetime Benefit (must check "YES" or "NO" If "NO," signature required):</p> <p><input checked="" type="checkbox"/> <b>YES, I am selecting the 5% Compound Inflation Protection Lifetime Benefit</b></p> <p><input type="checkbox"/> <b>NO, 5% Compound Inflation Protection Lifetime Benefit is NOT desired:</b> I have reviewed the Outline of Coverage and the graphs that compare the benefits and premiums of this policy with and without the 5% Compound Inflation Protection Lifetime Benefit option. Specifically, I have reviewed the option for Compound Inflation increases, and I reject the 5% Compound Inflation Protection Lifetime Benefit option.</p> <p></p> <p style="text-align: center;">Signature of Applicant A</p> <p><b>If you selected "NO" to the 5% Compound Lifetime Benefit, check either No Inflation Option, OR select an alternate Inflation Option below:</b></p> <p><input type="checkbox"/> No Inflation Protection</p> <p>OR</p> <p>Select one of the following inflation percentage options:</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> 1%</td> <td><input type="checkbox"/> 1.25%</td> <td><input type="checkbox"/> 1.50%</td> <td><input type="checkbox"/> 1.75%</td> </tr> <tr> <td><input type="checkbox"/> 2%</td> <td><input type="checkbox"/> 2.25%</td> <td><input type="checkbox"/> 2.50%</td> <td><input type="checkbox"/> 2.75%</td> </tr> <tr> <td><input type="checkbox"/> 3%</td> <td><input type="checkbox"/> 3.25%</td> <td><input type="checkbox"/> 3.50%</td> <td><input type="checkbox"/> 3.75%</td> </tr> <tr> <td><input type="checkbox"/> 4%</td> <td><input type="checkbox"/> 4.25%</td> <td><input type="checkbox"/> 4.50%</td> <td><input type="checkbox"/> 4.75%</td> </tr> <tr> <td><input type="checkbox"/> 5%</td> <td></td> <td></td> <td></td> </tr> </table> <p>(Compound Lifetime with Buy-Up is default if no optional Limited Period Benefit selected below.)</p> <p><input type="checkbox"/> 10 Year with Buy-Up <input type="checkbox"/> 15 Year with Buy-Up <input type="checkbox"/> 20 Year with Buy-Up</p>	<input type="checkbox"/> 1%	<input type="checkbox"/> 1.25%	<input type="checkbox"/> 1.50%	<input type="checkbox"/> 1.75%	<input type="checkbox"/> 2%	<input type="checkbox"/> 2.25%	<input type="checkbox"/> 2.50%	<input type="checkbox"/> 2.75%	<input type="checkbox"/> 3%	<input type="checkbox"/> 3.25%	<input type="checkbox"/> 3.50%	<input type="checkbox"/> 3.75%	<input type="checkbox"/> 4%	<input type="checkbox"/> 4.25%	<input type="checkbox"/> 4.50%	<input type="checkbox"/> 4.75%	<input type="checkbox"/> 5%				<p><b>3 Compound Inflation Protection Benefit:</b> 5% Compound Lifetime Benefit (must check "YES" or "NO" If "NO," signature required):</p> <p><input checked="" type="checkbox"/> <b>YES, I am selecting the 5% Compound Inflation Protection Lifetime Benefit</b></p> <p><input type="checkbox"/> <b>NO, 5% Compound Inflation Protection Lifetime Benefit is NOT desired:</b> I have reviewed the Outline of Coverage and the graphs that compare the benefits and premiums of this policy with and without the 5% Compound Inflation Protection Lifetime Benefit option. Specifically, I have reviewed the option for Compound Inflation increases, and I reject the 5% Compound Inflation Protection Lifetime Benefit option.</p> <p></p> <p style="text-align: center;">Signature of Applicant B</p> <p><b>If you selected "NO" to the 5% Compound Lifetime Benefit, check either No Inflation Option, OR select an alternate Inflation Option below:</b></p> <p><input type="checkbox"/> No Inflation Protection</p> <p>OR</p> <p>Select one of the following inflation percentage options:</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> 1%</td> <td><input type="checkbox"/> 1.25%</td> <td><input type="checkbox"/> 1.50%</td> <td><input type="checkbox"/> 1.75%</td> </tr> <tr> <td><input type="checkbox"/> 2%</td> <td><input type="checkbox"/> 2.25%</td> <td><input type="checkbox"/> 2.50%</td> <td><input type="checkbox"/> 2.75%</td> </tr> <tr> <td><input type="checkbox"/> 3%</td> <td><input type="checkbox"/> 3.25%</td> <td><input type="checkbox"/> 3.50%</td> <td><input type="checkbox"/> 3.75%</td> </tr> <tr> <td><input type="checkbox"/> 4%</td> <td><input type="checkbox"/> 4.25%</td> <td><input type="checkbox"/> 4.50%</td> <td><input type="checkbox"/> 4.75%</td> </tr> <tr> <td><input type="checkbox"/> 5%</td> <td></td> <td></td> <td></td> </tr> </table> <p>(Compound Lifetime with Buy-Up is default if no optional Limited Period Benefit selected below.)</p> <p><input type="checkbox"/> 10 Year with Buy-Up <input type="checkbox"/> 15 Year with Buy-Up <input type="checkbox"/> 20 Year with Buy-Up</p>	<input type="checkbox"/> 1%	<input type="checkbox"/> 1.25%	<input type="checkbox"/> 1.50%	<input type="checkbox"/> 1.75%	<input type="checkbox"/> 2%	<input type="checkbox"/> 2.25%	<input type="checkbox"/> 2.50%	<input type="checkbox"/> 2.75%	<input type="checkbox"/> 3%	<input type="checkbox"/> 3.25%	<input type="checkbox"/> 3.50%	<input type="checkbox"/> 3.75%	<input type="checkbox"/> 4%	<input type="checkbox"/> 4.25%	<input type="checkbox"/> 4.50%	<input type="checkbox"/> 4.75%	<input type="checkbox"/> 5%			
<input type="checkbox"/> 1%	<input type="checkbox"/> 1.25%	<input type="checkbox"/> 1.50%	<input type="checkbox"/> 1.75%																																						
<input type="checkbox"/> 2%	<input type="checkbox"/> 2.25%	<input type="checkbox"/> 2.50%	<input type="checkbox"/> 2.75%																																						
<input type="checkbox"/> 3%	<input type="checkbox"/> 3.25%	<input type="checkbox"/> 3.50%	<input type="checkbox"/> 3.75%																																						
<input type="checkbox"/> 4%	<input type="checkbox"/> 4.25%	<input type="checkbox"/> 4.50%	<input type="checkbox"/> 4.75%																																						
<input type="checkbox"/> 5%																																									
<input type="checkbox"/> 1%	<input type="checkbox"/> 1.25%	<input type="checkbox"/> 1.50%	<input type="checkbox"/> 1.75%																																						
<input type="checkbox"/> 2%	<input type="checkbox"/> 2.25%	<input type="checkbox"/> 2.50%	<input type="checkbox"/> 2.75%																																						
<input type="checkbox"/> 3%	<input type="checkbox"/> 3.25%	<input type="checkbox"/> 3.50%	<input type="checkbox"/> 3.75%																																						
<input type="checkbox"/> 4%	<input type="checkbox"/> 4.25%	<input type="checkbox"/> 4.50%	<input type="checkbox"/> 4.75%																																						
<input type="checkbox"/> 5%																																									

<p><b>4 Nonforfeiture Benefit – Shortened Benefit Period</b> (must check "YES" or "NO"):</p> <p><input checked="" type="checkbox"/> <b>YES</b></p> <p><input type="checkbox"/> <b>NO, Nonforfeiture Benefit – Shortened Benefit Period option is NOT desired:</b> I have reviewed the Outline of Coverage and compared the benefits and premiums of this policy with and without the Nonforfeiture Option(s) that have been made available and I reject the Nonforfeiture Benefit – Shortened Benefit Period option that is available.</p>	<p><b>4 Nonforfeiture Benefit – Shortened Benefit Period</b> (must check "YES" or "NO"):</p> <p><input checked="" type="checkbox"/> <b>YES</b></p> <p><input type="checkbox"/> <b>NO, Nonforfeiture Benefit – Shortened Benefit Period option is NOT desired:</b> I have reviewed the Outline of Coverage and compared the benefits and premiums of this policy with and without the Nonforfeiture Option(s) that have been made available and I reject the Nonforfeiture Benefit – Shortened Benefit Period option that is available.</p>
--	--

1. The Maximum Monthly Benefit (MMB) amount must be entered in the appropriate box (\$1,500 – \$10,000 in \$50 increments)
2. Choose the policy limit, an amount between \$50,000 and \$500,000.
3. Select the Compound Inflation Protection benefit. Reminder: The five percent compound inflation option must be offered to all applicants. If not elected, the applicant must check the “No” box and then choose an alternate inflation protection option.
4. For the Nonforfeiture Benefit-Shortened Benefit Period box, the applicant(s) must check either “Yes” or “No.”
5. If the applicant wants a reduced ALF benefit, select either 75 percent or 50 percent.
6. If the applicant wants a reduced HHC benefit, select either 75 percent or 50 percent.  
**NOTE:** Reducing the HHC benefit will also reduce the Cash benefit.
7. If the applicant does not want a 90-day elimination period (the default), he or she may choose a 0-day, 30-day, 60-day, 180-day or 365-day elimination period.
8. Check this box if the Waiver of Elimination Period for HHC Benefit is elected.
9. Check this box if the Professional HHC benefit is elected.
10. For Partner benefits: The Joint Waiver of Premium, Survivorship Benefit and Shared Care Benefit are only available when both Partners apply at the same time and both policies are issued.

**Complete Section J Optional Benefits for MUTUALCARE CUSTOM SOLUTION to change or add benefits.**

Benefit abbreviation key: NH=Nursing Home, ALF=Assisted Living Facility, HHC=Home Health Care, MMB=Maximum Monthly Benefit

<b>Section J (continued) OPTIONAL BENEFITS FOR MUTUALCARE CUSTOM SOLUTION</b>	
<b>Applicant A</b>	<b>Applicant B</b>
<p><b>5 ALF Benefit Reduced from 100% of MMB to:</b></p> <p><input checked="" type="checkbox"/> 75%</p> <p><input type="checkbox"/> 50%</p>	<p><b>5 ALF Benefit Reduced from 100% of MMB to:</b></p> <p><input checked="" type="checkbox"/> 75%</p> <p><input type="checkbox"/> 50%</p>
<p><b>6 HHC Benefit Reduced from 100% of MMB to:</b></p> <p><input type="checkbox"/> 75%</p> <p><input type="checkbox"/> 50%</p> <p>Reducing the <b>HHC Benefit</b> will reduce the <b>Cash Benefit</b>.</p>	<p><b>6 HHC Benefit Reduced from 100% of MMB to:</b></p> <p><input type="checkbox"/> 75%</p> <p><input type="checkbox"/> 50%</p> <p>Reducing the <b>HHC Benefit</b> will reduce the <b>Cash Benefit</b>.</p>
<p><b>7 Calendar Day Elimination Period:</b> (90-Day Elimination Period is default if no option selected)</p> <p><input type="checkbox"/> 0 Day</p> <p><input type="checkbox"/> 30 Day</p> <p><input checked="" type="checkbox"/> 60 Day</p> <p><input type="checkbox"/> 180 Day</p> <p><input type="checkbox"/> 365 Day</p>	<p><b>7 Calendar Day Elimination Period:</b> (90-Day Elimination Period is default if no option selected)</p> <p><input type="checkbox"/> 0 Day</p> <p><input type="checkbox"/> 30 Day</p> <p><input checked="" type="checkbox"/> 60 Day</p> <p><input type="checkbox"/> 180 Day</p> <p><input type="checkbox"/> 365 Day</p>
<p><b>8 <input checked="" type="checkbox"/> Waiver of Elimination Period for HHC Benefit</b></p>	<p><b>8 <input checked="" type="checkbox"/> Waiver of Elimination Period for HHC Benefit</b></p>
<p><b>9 <input type="checkbox"/> Professional HHC Benefit</b></p>	<p><b>9 <input type="checkbox"/> Professional HHC Benefit</b></p>
<p><b>10 Partner Benefits:</b> The <b>Joint Waiver of Premium, Survivorship Benefit</b> and <b>Shared Care Benefit</b> are only available when both Partners apply at the same time and both policies are issued.</p> <p><input type="checkbox"/> <b>Joint Waiver of Premium</b></p> <p><input type="checkbox"/> <b>Survivorship Benefit</b></p> <p><input checked="" type="checkbox"/> <b>Shared Care Benefit</b> The <b>Shared Care Benefit</b> is only available when both policies are issued with identical benefits.</p>	
<p><b>11 <input type="checkbox"/> Security Benefit</b> Not available for issue ages 70 and older, with other Partner Benefits or if Partner is applying for this coverage.</p> <p>Partner's Name _____</p>	
<p><b>12 Return of Premium at Death Benefit:</b></p> <p><input type="checkbox"/> 3 x MMB Return of Premium at Death (Minus Claims Paid)</p> <p><b>OR</b></p> <p><input type="checkbox"/> Return of Premium (Minus Claims Paid) If Death Occurs Before Age 65</p> <p><b>OR</b></p> <p><input type="checkbox"/> Return of Premium at Death (Minus Claims Paid)</p>	<p><b>12 Return of Premium at Death Benefit:</b></p> <p><input type="checkbox"/> 3 x MMB Return of Premium at Death (Minus Claims Paid)</p> <p><b>OR</b></p> <p><input type="checkbox"/> Return of Premium (Minus Claims Paid) If Death Occurs Before Age 65</p> <p><b>OR</b></p> <p><input type="checkbox"/> Return of Premium at Death (Minus Claims Paid)</p>

Continue to Section K.

11. Check this box for the Security Benefit. It is not available for issue ages 70 and older, with other Partner benefits or if the Partner is applying for this coverage.

12. Check one of the three boxes if a Return of Premium at Death benefit is elected (not available for issue ages over 64).

Section K		PREMIUM INFORMATION	
Applicant A		Applicant B	
<b>1 Premium Option:</b> <input checked="" type="checkbox"/> Lifetime		<b>1 Premium Option:</b> <input checked="" type="checkbox"/> Lifetime	
<b>2 Select Effective Date:</b> <input checked="" type="checkbox"/> Date of Application (Initial Premium Required) <input type="checkbox"/> Date Policy is Issued <input type="checkbox"/> For Replacements Only, Requested Effective Date of Coverage _____ <small>(up to 60 days from application date)</small>		<b>2 Select Effective Date:</b> <input type="checkbox"/> Date of Application (Initial Premium Required) <input type="checkbox"/> Date Policy is Issued <input type="checkbox"/> For Replacements Only, Requested Effective Date of Coverage _____ <small>(up to 60 days from application date)</small>	
<b>3 Initial Premium Payment:</b> Initial Premium Collected: \$ _____ <small>Two Months Minimum</small>		<b>3 Initial Premium Payment:</b> Initial Premium Collected: \$ _____ <small>Two Months Minimum</small>	
<b>4 Recurring Premium Payment:</b> <b>(Annual Direct Bill Mode is default if no option selected)</b> Modal Premium: \$ <u>448.79</u> <input type="checkbox"/> Annual Direct Bill <input type="checkbox"/> Semiannual Direct Bill <input type="checkbox"/> Quarterly Direct Bill <input checked="" type="checkbox"/> Monthly Automated Bank Account Withdrawal <small>Note: Complete and Sign Payment Authorization below.</small>		<b>4 Recurring Premium Payment:</b> <b>(Annual Direct Bill Mode is default if no option selected)</b> Modal Premium: \$ <u>772.35</u> <input type="checkbox"/> Annual Direct Bill <input type="checkbox"/> Semiannual Direct Bill <input type="checkbox"/> Quarterly Direct Bill <input checked="" type="checkbox"/> Monthly Automated Bank Account Withdrawal <small>Note: Complete and Sign Payment Authorization below.</small>	
<b>Payment Authorization</b> <small>(Complete and Sign if Monthly Automatic Bank Account Withdrawal Selected.)</small>			
Specify the date premiums will be withdrawn (1st through the 28th of the month): <u>15</u> Bank Name: <u>1st National</u> Complete information below or attach a voided check. Bank Routing Number: <u>1411000</u> Bank Account Number: <u>411608766</u> <small>(Do not use Debit/Credit Card numbers)</small>		Specify the date premiums will be withdrawn (1st through the 28th of the month): _____ Bank Name: _____ Complete information below or attach a voided check. Bank Routing Number: <u>1411000</u> Bank Account Number: <u>411607851</u> <small>(Do not use Debit/Credit Card numbers)</small>	
<small>When choosing automatic bank account withdrawal, MONEY MAY BE WITHDRAWN FROM YOUR ACCOUNT IMMEDIATELY UPON RECEIPT OF YOUR APPLICATION, BUT IN NO EVENT LATER THAN AT POLICY ISSUE. The first withdrawal date or charge date may be different from the monthly date selected for ongoing premiums. Depending on the amount of time elapsed between the policy date and the date the policy is issued, the amount of the withdrawal or charge may exceed one modal premium and may occur on a date other than the policy date. We CANNOT establish electronic payments from foreign banks.</small>			
<small>I authorize Mutual of Omaha Insurance Company ("Mutual of Omaha") to withdraw funds from my account for the initial and/or monthly renewal premiums as indicated above and understand that the amounts may differ. Premium shortages may result from a variety of causes, including underwriting adjustments. I authorize my financial institution to pay from my account to Mutual of Omaha any preauthorized bank account withdrawals. I agree that my financial institution shall be fully protected in honoring any such payment and that its rights and responsibilities regarding the payment shall be the same as if the payment were signed personally by me. I agree to notify the business in writing of any changes in my account information. This authorization will be effective until I give you at least three business days' notice to cancel. If notice is given verbally, Mutual of Omaha may require written confirmation from me within 14 days after my verbal notice.</small>			
<input checked="" type="checkbox"/> <u>John Q. Client</u> <small>Authorized Signature as Shown on Account    Date</small>		<input checked="" type="checkbox"/> <u>Sara A. Client</u> <small>Authorized Signature as Shown on Account    Date</small>	

**Section K Premium Information** The applicant must complete the following premium information details:

1. Lifetime Premium Option
2. Select Effective Date – one of the following:
  - Date of Application
  - Date Policy is Issued
  - For Replacements Only, Requested Effective Date of Coverage (up to 60 days from application date)

3. Initial Premium Payment:
  - Initial Premium Collect (two months minimum)
4. Recurring Premium Payment
  - Enter modal premium and Direct Bill amounts or Monthly Automated Bank Account Withdrawal

**NOTE:** For the Payment Authorization, signatures are required only for the Monthly Automated Bank Account Withdrawal option

Section L	PROTECTION AGAINST UNINTENTIONAL LAPSE
<p><b>Must check the applicable box. Complete the requested information if you designate an additional person. You may want to consider designating someone other than your Partner. The designee cannot be the producer unless related to the applicant.</b></p> <p>I understand that I have the right to designate at least one person other than myself to receive notice of lapse or termination of this long-term care insurance policy for nonpayment of premium. I understand that notice will not be given until thirty (30) days after a premium is due and unpaid.</p>	
<p><b>Applicant A</b></p> <p><input type="checkbox"/> I elect NOT to designate any person to receive such notice.</p> <p><b>OR</b></p> <p><input checked="" type="checkbox"/> I designate the following person to receive notice of lapse or termination of the policy due to nonpayment of premium:</p> <p><b>Marilyn Hayes</b></p> <hr/> <p>Name (Print full name of other person to receive notice of lapse or termination)</p> <p><b>201 Elm St.</b></p> <hr/> <p>Street Address, Apartment Number</p> <p><b>Anytown, NE 68000</b></p> <hr/> <p>City, State, ZIP Code</p>	<p><b>Applicant B</b></p> <p><input type="checkbox"/> I elect NOT to designate any person to receive such notice.</p> <p><b>OR</b></p> <p><input type="checkbox"/> I designate the following person to receive notice of lapse or termination of the policy due to nonpayment of premium:</p> <p><b><i>(If Different than Applicant A)</i></b></p> <hr/> <p>Name (Print full name of other person to receive notice of lapse or termination)</p> <hr/> <p>Street Address, Apartment Number</p> <hr/> <p>City, State, ZIP Code</p>

**Section L Protection Against Unintentional Lapse** The applicant must check the applicable box. If the applicant wishes to designate an additional person to receive the notice of lapse or termination of the policy due to nonpayment of premium, the name, address/state/ZIP Code details must be completed.



**Section M****AGREEMENTS AND ACKNOWLEDGEMENTS**

1. The undersigned applicant agrees that (a) all answers in this application are true and complete and Mutual of Omaha Insurance Company will rely on these answers to determine insurability, and (b) incorrect or misleading answers may void this application and any policy issued from its effective date.
2. Applicant acknowledges that Mutual of Omaha Insurance Company may require: an Attending Physician's Statement, medical records, an underwriting assessment, a medical examination, or other information for underwriting purposes.
3. Applicant agrees that Mutual of Omaha Insurance Company will not issue a policy as a result of this application unless (a) the insurance applicant completes all medical examinations and tests required by Mutual of Omaha Insurance Company, (b) Mutual of Omaha Insurance Company receives additional information requested for underwriting (such as Personal Worksheet, Personal Health Interview, or Attending Physician's Statement), and (c) the insurance applicant is, as of the policy application date, determined to be eligible for the exact insurance coverage applied for, or the insurance applicant has subsequently accepted an offer by Mutual of Omaha Insurance Company for coverage other than as applied for, according to the underwriting standards of Mutual of Omaha Insurance Company then in force.
4. Applicant agrees that this application does not provide temporary or interim insurance prior to policy issuance. If the applicant has made an advance premium payment, applicant agrees to the terms and conditions under any temporary insurance agreement or conditional receipt. Applicant agrees that completing this application or making an advance premium payment is not a guarantee that this application will be approved. If approved, the issued policy will indicate its effective date. Applicant acknowledges that if his or her application is declined, the long-term care coverage applied for will not become effective and any advance premium payment submitted with the application will be refunded to applicant, without interest. No insurance coverage will be in effect until Mutual of Omaha Insurance Company (a) issues a policy and (b) receives payment of the full initial premium according to the mode of payment specified in the application.
5. A completed and signed application will become part of each applicant's policy.
6. Applicant acknowledges that no Producer can (a) waive or change any receipt or policy provision, or (b) agree to issue a policy.
7. Applicant acknowledges receipt of an Outline of Coverage, Shopper's Guide to Long-Term Care Insurance, Long-Term Care Insurance Personal Worksheet, Things You Should Know Before You Buy Long-Term Care Insurance, Potential Rate Increase Disclosure Form and, if applicable, *Guide to Health Insurance for People with Medicare*.

**Fraud Warning:** Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.


**Caution:** If your answers on this application are incorrect or untrue, Mutual of Omaha Insurance Company has the right to deny benefits or rescind your policy.


**I have read and understand this Agreements and Acknowledgements Section, including the Fraud Warning and I approve all my answers as recorded in this application.**

Signed at <u>Anytown</u> <u>NE</u> <small>City State</small>  <u>X John T. Client</u> <small>Signature of Applicant A Date</small> <u>9/7/xx</u>	Signed at <u>Anytown</u> <u>NE</u> <small>City State</small>  <u>X Sara A Client</u> <small>Signature of Applicant B Date</small> <u>9/7/xx</u>
--	---

I/We, the Producer(s) certify that each question was asked exactly as written and I/we have recorded the answers provided by the Applicant(s) completely and accurately. I/We also agree that my/our answers in this application are true and complete.

Yes  No (If "No," please explain) \_\_\_\_\_

 X John Z. Agent  
Signature of Licensed Producer

 X  
Signature of Other Licensed Producer, if applicable

**Section M** Make certain that the applicant reads and signs the Agreements and Acknowledgements section. The agents signature is required.  
**Agreements and Acknowledgements**

**MUTUAL OF OMAHA INSURANCE COMPANY**

Mutual of Omaha Plaza, Omaha, NE 68175

**Appendix 1 AUTHORIZATION TO DISCLOSE PERSONAL INFORMATION**

["MIB, Inc." means: a non-profit membership organization of insurance companies, which operates an information exchange on behalf of its members.]

"Medical Persons and Entities" means: all physicians, medical or dental practitioners, hospitals, clinics, pharmacies, pharmacy benefit managers, other medical care facilities, health maintenance organizations providers of medical or dental services.

"Personal Information" means: all health information, such as medical history, mental or physical condition, prescription drug records, drug or alcohol use and other information such as finances, occupation, general reputation and insurance claims information. The personal information may be the entire medical record.

I authorize Medical Persons and Entities that have records or knowledge of me to release personal information about me to Mutual of Omaha Insurance Company or its affiliated companies (Mutual).

The Personal Information will be used to determine my eligibility for insurance or to resolve or contest any issues of incomplete, incorrect or misrepresented information on this application that may arise during the processing of my application or in connection with a claim.

[I also authorize Mutual to disclose my personal information to the MIB, Inc. I understand that my personal information received by MIB, Inc. may be disclosed, upon request, to another member company with whom I apply for life or health insurance or to whom I may submit a claim for benefits.]

If the person or entity to whom information is disclosed is not a health care provider or health plan subject to federal privacy regulations, the information may be redisclosed without the protection of the federal privacy regulations.



I understand that I may refuse to sign this authorization. I realize if I refuse to sign, the insurance for which I am applying will not be issued.

This authorization will expire 24 months after the date signed. I may revoke this authorization at any time by written notice to ATTN: Individual Underwriting, Mutual of Omaha Insurance Company, Mutual of Omaha Plaza, Omaha, NE 68175. This revocation is limited to the extent that Mutual has taken action in reliance on the authorization or the law allows Mutual to contest the issuance of the policy or a claim under the policy.

I understand that I will receive a copy of this authorization and that a copy is as valid as the original.

Applicant acknowledges and agrees that if there is more than one proposed insured on this application, all information provided may be reviewed or shared with the other applicant. A completed and signed application will become part of each applicant's policy.

Name(s) used for medical records (if different than the name(s) below): \_\_\_\_\_

<u>John T. Client</u> Printed Name of Applicant A	<u>1/22/xx</u> Birth Date	<u>NE</u> Birth State	<u>Sara A. Client</u> Printed Name of Applicant B	<u>2/12/xx</u> Birth Date	<u>NE</u> Birth State
 <u>X John Client</u> Signature of Applicant A	<u>9/7/xx</u> Date		 <u>X Sara Client</u> Signature of Applicant B	<u>9/7/xx</u> Date	

**THIS AUTHORIZATION COMPLIES WITH HIPAA AND OTHER FEDERAL AND STATE LAWS.**

**Appendix 1** The applicants must read and sign the Authorization to Disclose  
**Authorization to** Personal Information form. Make certain their names are printed,  
**Disclose Personal** along with their birth state and county.  
**Information**

Appendix 2	PRODUCER STATEMENT													
1. I/We certify that each question was asked exactly as written and that I/we recorded the answers completely and accurately.....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>												
2. I/We certify that the application was completed in the physical presence of the Applicant(s) ..... (If "No," explain) _____	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>												
3. This coverage is written on myself (the Producer) and/or my Partner..... Partner's name _____	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>												
4. Please indicate the Underwriting Risk classification quoted..... <b>Your quote will be noted, however, Underwriting will determine the final risk classification. We suggest quoting Select unless our Underwriting Guide indicates the health condition(s) warrants a substandard rating. Class II cases should be discussed with an underwriter prior to application submission.</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Applicant A</th> <th style="text-align: left;">Applicant B</th> </tr> <tr> <td><input checked="" type="checkbox"/> Preferred</td> <td><input checked="" type="checkbox"/> Preferred</td> </tr> <tr> <td><input type="checkbox"/> Select</td> <td><input type="checkbox"/> Select</td> </tr> <tr> <td><input type="checkbox"/> Class I</td> <td><input type="checkbox"/> Class I</td> </tr> <tr> <td><input type="checkbox"/> Class II</td> <td><input type="checkbox"/> Class II</td> </tr> </table>	Applicant A	Applicant B	<input checked="" type="checkbox"/> Preferred	<input checked="" type="checkbox"/> Preferred	<input type="checkbox"/> Select	<input type="checkbox"/> Select	<input type="checkbox"/> Class I	<input type="checkbox"/> Class I	<input type="checkbox"/> Class II	<input type="checkbox"/> Class II			
Applicant A	Applicant B													
<input checked="" type="checkbox"/> Preferred	<input checked="" type="checkbox"/> Preferred													
<input type="checkbox"/> Select	<input type="checkbox"/> Select													
<input type="checkbox"/> Class I	<input type="checkbox"/> Class I													
<input type="checkbox"/> Class II	<input type="checkbox"/> Class II													
5. To the best of my knowledge, replacement of other insurance (check box) involved in this transaction ..... <b>If replacement is involved, I/we shall comply with all state and/or company replacement requirements, including completing the applicable state required replacement forms and submitting copies of these forms with the application.</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> is</td> <td><input type="checkbox"/> is</td> </tr> <tr> <td><input checked="" type="checkbox"/> is not</td> <td><input checked="" type="checkbox"/> is not</td> </tr> </table>	<input type="checkbox"/> is	<input type="checkbox"/> is	<input checked="" type="checkbox"/> is not	<input checked="" type="checkbox"/> is not									
<input type="checkbox"/> is	<input type="checkbox"/> is													
<input checked="" type="checkbox"/> is not	<input checked="" type="checkbox"/> is not													
<p>By signing below, I understand I am required to have valid LTCi training completed at time of application. I further understand that if the appropriate LTCi training required by the state in which this application is signed is not valid, this application will not be processed and a new application will be required in order to continue the underwriting process.</p>														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; text-align: center;"></td> <td style="border-bottom: 1px solid black;"><input checked="" type="checkbox"/> <u>John Q. Agent</u></td> <td style="border-bottom: 1px solid black; text-align: right;"><u>9/7/xx</u></td> </tr> <tr> <td></td> <td style="text-align: center; font-size: small;">(Agent of Record)</td> <td style="text-align: center; font-size: small;">Date</td> </tr> <tr> <td style="text-align: center;"></td> <td style="border-bottom: 1px solid black;"><input checked="" type="checkbox"/></td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td></td> <td style="text-align: center; font-size: small;">Signature of Other Producer, if applicable</td> <td style="text-align: center; font-size: small;">Date</td> </tr> </table>				<input checked="" type="checkbox"/> <u>John Q. Agent</u>	<u>9/7/xx</u>		(Agent of Record)	Date		<input checked="" type="checkbox"/>			Signature of Other Producer, if applicable	Date
	<input checked="" type="checkbox"/> <u>John Q. Agent</u>	<u>9/7/xx</u>												
	(Agent of Record)	Date												
	<input checked="" type="checkbox"/>													
	Signature of Other Producer, if applicable	Date												
<b>Producer Information</b> (please print clearly)														
For Mutual of Omaha Career Producers Only: <b>01</b> _____ Manager Stamp														
For Brokerage Only: Commission Code <span style="border: 1px solid black; padding: 2px;">  </span> <span style="border: 1px solid black; padding: 2px;">  </span> <u>951300</u> (Examples: <span style="border: 1px solid black; padding: 2px;">8</span> <span style="border: 1px solid black; padding: 2px;">8</span> , <span style="border: 1px solid black; padding: 2px;">A</span> <span style="border: 1px solid black; padding: 2px;">2</span> , etc.) (Commission Code available from your marketing organization)														
Producer's Name <u>John Q. Agent</u>	Social Security Number <u>505-55-0000</u>													
(Agent of Record)														
Comm. % Share _____	Phone Number ( <u>402</u> ) <u>555-1111</u>													
Identification Number <u>X0112</u>	Email Address <u>jqagent@email.com</u>													
Other Producer's Name _____	Social Security Number _____													
(If applicable, for Commission Split)														
Comm. % Share _____	Phone Number (    ) _____													
Identification Number _____	Email Address _____													
<p>Whom should we contact with questions regarding this application if different than Producer listed above: (please print clearly)</p>														
Name <u>Jan Support Staff</u>														
Name of Office/Corporation <u>ABC Division Office</u>														
Phone Number ( <u>402</u> ) <u>788-1239</u>														
Email Address <u>JSSstaff@company.com</u>														
<b>SUBMIT TO LTC SERVICE OFFICE</b>														

**Appendix 2** Agents must complete and sign the Producer statement, checking the **Producer Statement** appropriate boxes (questions 1-5).



**LEAVE THIS PAGE WITH APPLICANT(S)**

**CONDITIONAL RECEIPT**

This receipt is given and accepted with the understanding that the insurance applied for by each applicant will become effective on the date of the completed application (unless a later date is selected by the applicant, in which case coverage will become effective on the date selected by the applicant) if all of the following conditions have been fully satisfied:

**CONDITIONS**

- 1 The insurance applicant completes all medical examinations and tests required by Mutual of Omaha Insurance Company,
- 2 Mutual of Omaha Insurance Company receives any additional information requested for underwriting (such as Personal Worksheet, Personal Health Interview, or Attending Physician's Statement),
- 3 The insurance applicant is, as of the policy application date, determined to be eligible for the exact insurance coverage applied for, according to the underwriting standards of Mutual of Omaha Insurance Company then in force, and the policy is issued, and
- 4 The minimum premium of at least two month's is received on the date of the application via check and is honored on its first presentation for payment.

<b>Applicant A</b> Payment has been received for <b>Applicant A</b> for the amount of \$ <u>897.58</u> as the initial premium with the attached Long-Term Care Insurance application to Mutual of Omaha Insurance Company.	<b>Applicant B</b> Payment has been received for <b>Applicant B</b> for the amount of \$ <u>1,544.70</u> as the initial premium with the attached Long-Term Care Insurance application to Mutual of Omaha Insurance Company.
---	---

Total Premium  
**\$2,442.28**

Payment Method:  Check

**(ALL CHECKS FOR PREMIUMS MUST BE MADE PAYABLE TO MUTUAL OF OMAHA INSURANCE COMPANY ("MUTUAL OF OMAHA"). ONE CHECK IS ACCEPTABLE FOR JOINT APPLICANTS. DO NOT MAKE CHECKS PAYABLE TO THE PRODUCER OR LEAVE THE PAYEE BLANK.**

Mutual of Omaha Insurance Company reserves the right to disapprove the application by offering to issue coverage other than as applied for or by declining to issue coverage. If applicable, Mutual of Omaha Insurance Company will return monies received with the application if (a) the coverage, other than applied for, is offered but not accepted, or (b) if the coverage is declined. Any delay in completion of the underwriting process or refunding of monies shall not be construed as approval of the application for coverage.

This is not a temporary insurance agreement and does not create any temporary or interim insurance. I/We understand that the Producer has no authority to change the terms of this Receipt.

**SIGNATURES**

<b>X</b> <u>John T. Client</u> <u>9/7/xx</u> Signature of Applicant A Date	<b>X</b> <u>Sara A Client</u> <u>9/7/xx</u> Signature of Applicant B Date
---	--

I/We agree that I/we am/are not authorized to change or waive the terms of this Receipt and represent that I/we have not attempted to do so. I/We have read and explained the terms of this Receipt and have left a copy with the Applicant(s).

<b>X</b> <u>John Z. Agent</u> <u>9/7/xx</u> Signature of Licensed Producer Date	
<b>X</b> _____ Signature of Other Licensed Producer, if applicable Date	

ICC13-LTC13CR **LEAVE THIS PAGE WITH APPLICANT(S)**

**LEAVE THIS PAGE WITH APPLICANT(S)**

**TEMPORARY INSURANCE AGREEMENT AND RECEIPT ("Agreement")**

**Temporarily Insured.** The maximum amount of monthly benefits for long-term care under this and LIMITED. The maximum period for which benefits may be paid is LIMITED.

**Insurance** – No benefits will be payable under this Agreement if there are incorrect, or other material misrepresentations of fact in any part of the application, this is or amendments or any questionnaire that becomes a part of the application. Mutual of Omaha Insurance Company ("Mutual") will grant temporary insurance to the applicant(s) only if: month's is received on the date of the application via check and is honored on its same time as the application; and application are answered and each is answered "No." **No Producer is authorized to sign if any of the questions in Section D are answered "Yes", or left blank.**

<b>Applicant A</b> Amount of \$ _____ I/we have read and explained the terms of this Agreement and represent that I/we have not attempted to do so. I/We have read and explained the terms of this Agreement and have left a copy with the Applicant(s).	<b>Applicant B</b> In consideration of the application and payment of \$ _____ by <b>Applicant B</b> , receipt of which is hereby acknowledged, Mutual of Omaha Insurance Company agrees to provide limited temporary long-term care insurance for <b>Applicant B</b> , subject to this Agreement's conditions and limitations.
--	--

Method:  Check

**PAYABLE TO MUTUAL OF OMAHA INSURANCE COMPANY ("MUTUAL OF OMAHA"). ITS. DO NOT MAKE CHECKS PAYABLE TO THE PRODUCER OR LEAVE THE PAYEE BLANK.**

Temporary insurance provided by this Agreement will begin at 12:00 a.m., where the these dates:

- 1 The date of the application;
- 2 The date of the Producer(s) and Applicant(s); or
- 3 The date of the Producer(s) and Applicant(s).

**LIMITED IN THIS AGREEMENT, MUTUAL'S LIABILITY IS GOVERNED BY THE TERMS LISTED FOR.** Coverage under this Agreement will be subject to the same terms and conditions applied for including, without limitation, the application of the elimination period and for how much of an advance payment you made, the following limitations apply: **LIMITED TO THE LESSER OF \$3,000 per month or the amount of Maximum Monthly Benefit payable to perform, without Substantial Assistance from another person, at least two (2) consecutive days that is expected to last at least 90 consecutive days due to a loss of functional capacity.**

**3** The maximum amount of benefits paid under this Agreement is LIMITED TO twelve times the amount of Maximum Monthly Benefit as specified in Subsection 1, above.

No insurance exists under this Agreement for any health conditions for which there was diagnosis, treatment or consultation within one year prior to the date this Agreement begins.

**In no event will benefits be paid for the same loss under both this Agreement and any policy issued from the application.**

**When Temporary Insurance Ends** – If you first qualify for benefits under the policy after the date of the application and before any of items (1)-(5) below occur, you will have coverage pursuant to the terms and conditions of this Agreement. If you do not qualify for benefits before the first of any of items (1)-(5) below occur, this coverage will automatically terminate at 12:01 a.m., where the Applicant(s) live(s).

- 1 60 days from the date of this Agreement; or
- 2 The date that insurance takes effect under the policy applied for; or
- 3 The date a policy, other than as applied for, is offered by a Producer to the Applicant(s); or
- 4 The date Mutual mails the premium refund and letter informing the Applicant(s) that the policy applied for will not be issued; or
- 5 The date Mutual mails notice of termination of this Agreement to the Applicant(s).

This Agreement does not limit Mutual in applying its underwriting standards to the application, nor does the Agreement limit or waive any rights under any policy issued. If the application of the Applicant(s) is rejected by Mutual, the amount paid with the application for that Applicant will be refunded to the Applicant(s) regardless of whether a claim has been filed or benefits have been paid under this Agreement.

No change may be made to the terms and conditions of this Agreement by anyone, including the Producer(s).

I/We, the undersigned Applicant(s), have read and received a copy of this Agreement and understand and agree to all of its terms.

**SIGNATURES**

<b>X</b> _____ Signature of Applicant A Date	<b>X</b> _____ Signature of Applicant B Date
---	---

I/We agree that I/we am/are not authorized to change or waive the terms of this Agreement and represent that I/we have not attempted to do so. I/We have read and explained the terms of this Agreement and have left a copy with the Applicant(s).

<b>X</b> _____ Signature of Licensed Producer Date	
<b>X</b> _____ Signature of Other Licensed Producer, if applicable Date	

ICC13-LTC13TIA **LEAVE THIS PAGE WITH APPLICANT(S)**

**Appendix 3** Make certain to have the applicants sign the Conditional Receipt\*  
**Conditional Receipt** or Temporary Insurance Agreement (TIA)\* and provide them  
**or TIA** with a copy. The agent's signature is also required.

\*Based on state-specific requirements

**Important Documents** As part of the application process, the applicant will sign multiple forms. Copies of the following forms and notifications must be provided to the applicant(s), if applicable:

Included with the Application Package\*

- Replacement Notice (if applicable)
- Conditional Receipt or Temporary Insurance Agreement (if initial payment is provided with the application)
- MIB Inc. Pre-Notice (Company Notice of Information Practices)
- Things You Should Know Before You Buy Long-term Care Insurance
- Long-term Care Insurance Potential Rate Increase Disclosure Form
- Partnership Notice
- Senior Health Counseling Notice
- Outline of Coverage
- Miscellaneous State Special Forms

Forms Not Included with the Application Package

- LTC Shopper's Guide
- Guide to Medicare for People Age 65 and Older

\*Based on state-specific requirements

**HEALTH INTERVIEW** The applicant should be informed about the health interview process. Explain to your client what comes next in the underwriting process using the Next Steps brochure (M28399).

- Let the applicant know he or she will be required to complete a personal health interview and help him or her compile a list of doctors' names and medications
- Explain the importance of giving the interview his or her full attention
- Give the applicant a heads up that a cognitive interview also may be conducted
- Indicate on the application the best time to contact the applicant for a telephone interview or face-to-face interview
- If hearing loss prevents an applicant from completing a telephone interview, include a note with the application that a face-to-face interview is needed. For deaf applicants, please indicate if they are able to read lips or communicate using sign language
- A face-to-face interview must be conducted in the applicant's home. It cannot be completed at their place of work, a relative's home or in a public place, such as a restaurant

**TIP:** To expedite the underwriting process, initiate the telephone interview by placing a call before leaving your client's home.

- Call an interviewer at 1-866-544-1617
- Identify yourself as the agent and introduce your client to the representative
- If a nurse is available, an on-the-spot interview can be conducted. If not, an appointment can be set. Otherwise, the client will be called to schedule an interview.

**NOTE:** You must NOT be present during the applicant's health interview

**SHOPPER'S GUIDE TO  
LONG-TERM CARE  
INSURANCE**

The Shopper's Guide to Long-term Care Insurance must be given to all applicants. It is a booklet produced by the National Association of Insurance Commissioners and provides information about long-term care coverage that is general and not specific to any company.

You can obtain copies of most long-term care forms on the Sales Professional Access website.

**BENEFIT INCREASE** Benefits may be increased within 60 days of policy issue, subject to underwriting approval. A Statement of Good Health will be required.

**RATE CALCULATION** Please utilize the illustration software for the sex distinct rate calculations.

**SUBMITTING THE APPLICATION** Applications can be submitted through your normal channels or directly to our Long-Term Care Service Office, depending upon your currently established process. Listed below are the addresses for general mail and expedited mail.

<b>Application Submission</b>	
<b>General Mail:</b> Long-Term Care Service Office P.O. Box 64901 St. Paul, MN 55164-0901	<b>Expedited Mail:</b> Long-Term Care Service Office 7805 Hudson Rd., Suite 180 Woodbury, MN 55125-1591

**Submitting Premium** Premium should not be submitted with the application. Instead, premium collected at the time of application should be sent separately to:

<b>Premium Submission (other than premium collected with the application)</b>	
<b>General Mail:</b> Mutual of Omaha P.O. Box 30154 Omaha, NE 68175-1252	<b>Expedited Mail:</b> 1st National Bank Attn: Stop 2203 Box 30154 1620 Dodge St. Omaha, NE 68197-2203

**NOTE:** If premium is submitted at the time of application, all checks should be made payable to Mutual of Omaha Insurance Company.

An application will be withdrawn within 60 days of receipt if an underwriting determination cannot be made due to missing requirements, including health interview, medical records or underwriter requested medical follow-up, or in the event application corrections have not been received.

- A case may be reopened if missing requirements are received within 120 days of the application signing date. The underwriter will request a Statement of Good Health. The original application and premium age will be used
- If requirements are received longer than 90 days after the application signing date, a new application and health interview will be required. Updated medical records also may be requested. Premium will be calculated based on the attained age of the applicant

**Checking Case Status** Application and underwriting status is available on Sales Professional Access (SPA) – our secure agent website. Log in using your seven-digit production number. Select the “Reports” tab. Then select the link labeled “Med Supp, LTC, DI and Other Health Products” to view your case status report.

**Delivery Requirements** The 3 categories of Post Issue Requirements (PIR) are: Amendments, Premium, and Policy Delivery Acknowledgment forms. A policy may include any or all of these Requirements.

Questions regarding delivery requirements can be directed to your case manager or the New Business Hotline at 800-275-5528.

Signed application amendments and delivery acknowledgement submission:

- Fax: 888-539-4672
- General Mail: Long-Term Care Services Office  
P.O. Box 64901  
St. Paul, MN 55164-0901
- Expedited Mail: Long-Term Care Service Office  
7805 Hudson Rd., Ste 180  
Woodbury, MN 55125-1591

**Amendments** If a material answer or benefit of an application has changed, an application amendment will be included with the policy issue kit. Signed amendments must be received by Mutual of Omaha within 30 days of delivery.

**Policy Delivery Acknowledgements (NE, SD, IL, LA, WV)**

- Policy Delivery Acknowledgements must be received within 30 days of policy issue for the states of IL, LA, WV
  - If the acknowledgement is not received within 20 days on policy issue, an email will be sent to the applicant with a DocuSign option for the Policy Delivery Acknowledgment.
  - If the acknowledgement is not received within 20 days on policy issue, an email will be sent to the applicant with a DocuSign option for the Policy Delivery Acknowledgment.
  - If the acknowledgement is not received within 25 days of policy issue, a new policy kit will be mailed to the applicant that contains a letter of acknowledgement and the requirement will be filled by delivery receipt from the mail carrier.
- Policy Delivery Acknowledgements must be received within 60 days of policy issue for the states NE, SD
  - If the acknowledgement is not received within 50 days on policy issue, an email will be sent to the applicant

with a DocuSign option for the Policy Delivery Acknowledgment

- If the acknowledgement is not received within 55 days of policy issue, a new policy kit will be mailed to the applicant that contains a letter of acknowledgement and the requirement will be filled by delivery receipt from the mail carrier

**Premium** The Insured has 65 days from date of policy issue to pay his or her premium before the policy will lapse. The company will send the Insured written notice 30 days after policy issue date if the premium is due and unpaid. \*\*Please see premium processing section for expanded premium guidelines.

<b>Premium Submission (if premium is not submitted with the application)</b>	
<b>General Mail:</b> Mutual of Omaha P.O. Box 30154 Omaha, NE 68103-1254	<b>Expedited Mail:</b> First National Bank Attn: Stop 2203 Box 30154 1620 Dodge St. Omaha, NE 68197-2203

**ADMINISTRATIVE HANDLING Upgrades** The insured may apply for a currently marketed policy option or benefit increase at the time of sale or within 60 days of policy issue. If the upgrade is approved, the change will appear either on an updated Schedule of Benefits page or a re-issued policy bearing the same number as the initial policy. Premium for the upgrade will be based on the applicant's age at initial policy issue.

- A Benefit Change Request form must be signed and dated by both you and the applicant prior to processing
- A Statement of Good Health form also is required

If the insured wishes to apply for an upgrade after the 60-day period, it is recommended that he or she retain the initial policy and apply for a second policy with the desired upgrades. Premium for the new policy will be based on the insured's age at the time of application.

**Downgrades** Benefit decreases are allowed. If the decrease is requested within 60 days of the original effective date, it will be effective on the original effective date. If the decrease is requested after the 60-day period, the effective date of the change is the next renewal date after the decrease is approved. The decrease will appear either in an updated Schedule of Benefits page or a re-issued policy bearing the same number as the initial policy. Continuing benefits will keep the original issue age and will continue to earn renewal compensation.

Here are the allowable features for dropping and reducing coverage:

<b>Drop Coverage</b>	<b>Reduce Coverage</b>
<p>Allowable Features:</p> <ul style="list-style-type: none"> <li>■ Inflation Protection</li> <li>■ Nonforfeiture – Shortened Benefit Period</li> <li>■ Survivorship Benefit</li> <li>■ Joint Waiver of Premium</li> <li>■ Shared Care Benefit (if partner’s benefits have not been accessed)</li> <li>■ Security Benefit</li> </ul> <p>Subject to rider termination provisions</p>	<p>Allowable Reductions:</p> <ul style="list-style-type: none"> <li>■ Inflation Protection</li> <li>■ Maximum Monthly Benefit</li> <li>■ Policy Limit</li> </ul> <p>Allowable Increase:</p> <ul style="list-style-type: none"> <li>■ Elimination Period</li> </ul> <p>Subject to rider termination provisions</p>

**WHO TO CONTACT:**

<b>Customer Service</b>	
<ul style="list-style-type: none"> <li>■ New Business Service and Status</li> <li>■ Policy Issue</li> <li>■ Billing &amp; Collection</li> </ul> <p>Phone: 877-894-2478 Hours: 7 a.m. to 5 p.m. CT; M-F</p>	<p><b>Miscellaneous</b></p> <ul style="list-style-type: none"> <li>■ Delivery Requirements</li> <li>■ Policy Change Requests</li> <li>■ Correspondence</li> </ul> <p>Fax: 952-833-5410</p>
<b>LTC Service Office</b>	
<p><b>Claims:</b> Phone: 877-894-2478 Hours: 7 a.m. to 5 p.m. CT; M-F</p>	<p><b>Application Requirements:</b></p> <ul style="list-style-type: none"> <li>■ Missing application requirements</li> <li>■ Authorizations</li> </ul> <p>Fax: 888-539-4672</p>
	<p><b>Medical Information</b> Fax: 800-921-9445</p>
<b>General Contact Information</b>	
<p><b>Licensing:</b> Phone: 800-867-6873 Hours: 8 a.m. to 4:30 p.m. CT; M-F</p>	<p><b>Underwriting:</b></p> <ul style="list-style-type: none"> <li>■ Prequalification</li> <li>■ Risk Selection</li> </ul> <p>Phone: 800-551-2059 Email: <a href="mailto:ltcunderwriting@mutualofomaha.com">ltcunderwriting@mutualofomaha.com</a> Hours: 8 a.m. to 4:30 p.m. CT; M-F</p>
<p><b>Sales Support:</b></p> <ul style="list-style-type: none"> <li>■ Appointments</li> <li>■ Contracts &amp; Licensing</li> <li>■ Proposals</li> <li>■ Sales &amp; Product Support</li> <li>■ E-App usability questions</li> </ul> <p>Brokerage: 800-693-6083 Email: <a href="mailto:sales.support@mutualofomaha.com">sales.support@mutualofomaha.com</a> Hours: 8 a.m. to 5:30 p.m. CT; M-F</p>	

**SUMMARY** It is important to have a full understanding of the underwriting rules, including the health underwriting process, how the Insured qualifies for benefits and how to complete the application.



## REVIEW UNITS 8 AND 9

1. The Insured has \_\_\_\_\_ days to pay the premium before the policy will lapse.
  - (a) 30
  - (b) 35
  - (c) 60
  - (d) 65
  
2. MutualCare® Solutions may be issued with direct billing in all of the following modes EXCEPT:
  - (a) Annual
  - (b) Semiannual
  - (c) Quarterly
  - (d) Regular monthly
  
3. The \_\_\_\_\_ provision states that the Insured's policy will lapse if he or she does not pay his or her premium before the end of the grace period.
  - (a) Notification of nonpayment
  - (b) Reinstatement
  - (c) Protection against unintentional lapse
  - (d) Nonduplication of benefits
  
4. All of the following premium allowances are available with MutualCare® Solutions EXCEPT:
  - (a) Partner (both issued) – 30 percent
  - (b) Partner (one issued) – 15 percent
  - (c) Producer – 5 percent
  - (d) Preferred – 5 percent
  
5. The \_\_\_\_\_ provision states that if the Insured's premium is due and unpaid at the end of 30 days, the company will give notice of lapse or termination to the Insured and person(s) designated to receive notice.
  - (a) Reinstatement
  - (b) Protection against unintentional lapse
  - (c) Notification of nonpayment
  - (d) Misstatements/Incontestability
  
6. All of the following are true statements concerning MutualCare® Solutions EXCEPT:
  - (a) May be issued to individuals ages 30 through 79
  - (b) Face-to-face examinations are ordered on all applicants
  - (c) The Conditional Receipt or TIA is based on state requirements
  - (d) The application for MutualCare® Solutions may be used for one or two individuals applying for coverage



# UNIT 10

## SALES SUPPORT, MARKETING AND PROSPECTING MATERIALS

**INTRODUCTION** Getting in front of prospects, identifying their needs and offering affordable, effective solutions are important to your sales success. According to America's Health Insurance Plans (AHIP), consumers want to discuss their needs and objectives with agents.

Prospects are looking for value-added service . . . something more than a policy for their premium. The purpose of this unit is to introduce you to the available long-term care prospecting, sales and marketing materials.

**NICHE MARKETS** Niche markets include:

- Married couples
- Client ages 55-64
- College educated and employed in a white collar profession
- Homeowners with at least 10 years in their current residence

**Client Characteristics** Additional client characteristics may include:

- Affluent; with a household income of at least \$100,000
- A “planner” who is interested in financial issues
- An owner of life insurance and other conservative investment products
- Family oriented, and
- Exposed to long-term care issues – individuals may have a family member or a friend who has needed long-term care services

Mutual of Omaha's recent research also discovered that the typical long-term care buyer is research oriented and self-educated about long-term care insurance.

**Cultural Trends** Traditionally, long-term care needs are taken care of within the family with a majority of the elderly receiving volunteer help from their personal network. This trend is changing due to several factors.

As our society evolves and changes, cultural trends have an impact on the needs and expectations of the population with regard to how long-term care will be provided.

Cultural trends include the:

- Increase of women working outside the home which reduces the number of primary caregivers who traditionally are women
- Increase in divorce, smaller family size and family members being scattered in different cities which results in less reliance on family solutions to meet long-term care needs
- “Sandwich generation” who have elderly parents and children in college, and who are juggling multiple financial priorities for retirement, education and care for parents

**Current Trends in Aging** Americans are living longer. In 2014, 46 million people age 65 and over accounted for 15 percent of the total population in the United States. In 2030, the number and proportion of older Americans is expected to grow to 72 million, nearly 20 percent of the population.\*

This surge in the elderly population will create an acute demand for long-term care services.

**NOTE:** People of second marriages offer a potential untapped market. Network with attorneys who specialize in divorce or second marriages.

#### **LOCATING PROSPECTIVE CLIENTS**

Good places to find prospective clients include:

- Current Clients – Where you already have a built-in pool of prospective clients
- Centers of Influence – Partner with accountants and attorneys in your area. This mutually beneficial arrangement allows them to recommend you to their clients. And in turn, you recommend these professionals to your clients who may need legal or accounting services
- Civil Organizations – Join your local civic organizations and make yourself known to the members of your community. Offer your services as a speaker at an upcoming meeting

\*2016; Federal Interagency Forum on Aging-Related Statistics

- Don't forget about associations to which you belong. As members of the same associations, you share an affinity with other members. Place ads in association newsletters and offer to speak to the membership
- Lastly, referrals – Don't forget family members, friends neighbors and clients – ask if they know someone who could benefit from the service you provide

## EDUCATING YOUR CLIENTS

How can you educate your clients about the need for long-term care insurance – particularly in the following important areas?

- Helping clients assess their long-term care needs
- Conducting an informative Medicare/Medicaid discussion
- Enlightening clients to the financial realities of aging
- Discussing retirement planning

Here are some ways to begin the long-term care discussion:

- Help your client accurately assess his or her long-term care monthly expenses
- Discuss Medicare coverage; point out what Medicare and Medicaid cover and what they don't. Many people still mistakenly believe their health insurance, Medicare supplement plan or Medicare will cover their long-term care needs. Others think Medicaid is the answer – but they don't realize Medicaid pays only for those who meet federal poverty guidelines
- Ask your client how he or she plans to cover the cost of long-term care needs and what financial alternatives exist. Ask your client, "How long would your savings last if you were faced with paying several thousand dollars a month for home health care or nursing home care for you or your spouse?" Mention that today's average annual nursing home costs are \$86,764\*
- When you discuss retirement planning, talk about possible obstacles that might prevent your client from completing his or her plan (i.e., long-term care costs).

**Key Point:** Tangible benefit of long-term care insurance is the money it provides to pay costs. Money to pay for care – protecting the nest egg.

**Key Point:** Many individuals are in denial – emphasize to your client the potential emotional and physical costs of long-term care.

\*higher in many states

**FACTFINDING** Here are some important questions to ask your client during the factfinding portion of the interview:

Long-term care expenses can have a devastating impact on the client's financial situation. As stated in the Long-Term Care section of the factfinder, *Having sufficient insurance coverage can help assure there is enough money for adequate care.*

Developing the concept and the need are critical. Realize that asset protection is important to clients; however, you will have the most success talking to clients about long-term care when you focus on independence and choice and access to quality care.

Questions To Ask:

- Is it important for you to have a choice of how you receive care?
- Is it important for you to choose where you will receive care?
- How do you feel about maintaining your independence and freedom of choice for quality care after you retire?
- How is your home setup?
- Will this work when you're older?

Here are some additional questions to ask your client:

- What provisions have you set aside for the cost of long-term care?  
(If none)...
- Where would the money come from if you had to pay for nursing home care?
- What is your plan if you need care?
- Have you spoken with your children or loved ones about long-term planning solutions?

Make sure to add value through education – It is essential for you to know the local costs for both confined care and home health care when recommending a daily benefit amount to your clients!

Refer to the cost of care flyer or online calculator on Sales Professional Access to get this information.

As stated previously, it is important that the client understands that these are costs that Medicare typically does not pay. Medicaid is not really a favorable option either because it requires impoverishment which would leave a surviving spouse in a very bad situation.

Make sure clients understand who really pays when it comes to long-term care expenses:<sup>1</sup>

- Medicare: 20.4 percent
- Medicaid: 48.9 percent
- Own income/private insurance: 30.7 percent

<sup>1</sup>Source: National Clearinghouse for Long-Term Care Information, 2010

### **Long-term Care Sales Methodology**

Here are some important points to cover with your clients:

- Establish the need based on the understanding that most people will live a long life, and those who do live a long time will eventually require some level of long-term care
- Expand the discussion to include the potential impact to family caregivers, family relationships and family finances
- Take the time to listen to your clients needs and be aware of multiple long-term care solutions available to help them make the right choice
- Realize that asset protection is important to clients; however, you will have the most success talking to clients about long-term care when you focus on independence and choice and access to quality care

### **Overcoming Long-term Care Objections**

Here are some examples of objections clients may express, and how you can best answer these objections:

Objection: “I’m only 50 years old; I’ll buy long-term care insurance when I need it.”

Answer: If the client waits until he or she needs long-term care insurance, it will be too late. Explain insurability and how long-term care insurance is more affordable at younger ages.

Here are the top five reasons to buy long-term care insurance at age 50:

1. Affordability
2. More room in the budget
3. Asset protection
4. Restoration of benefits
5. Insurability

Objection: “I’ve heard that long-term care insurance is too expensive.”

Answer: The premium isn't the problem; it's the solution. Long-term care expenses will end up being more problematic in the future if left uninsured. We can design a program to meet almost any budget.

Objection: "I won't live a long life."

Answer: If your prospect doesn't have any current health problems, why would they think this? Often people who think they will live a short life end up living a long time. If they have a retirement portfolio, why did they bother?

Objection: "I'll never go into a nursing home."

Answer: Most people do not want to go to a nursing home. This plan can be used to provide care in the home or in an assisted living facility."

Objection: "My children will take care of me."

Answer: Has the client discussed this with the children? What were their feelings? Has the client considered the stress, as well as the emotional and physical toll that this will have on the children?

Long-term care insurance enhances the informal care provided by the client's family, by allowing the caregiver to provide better care for a longer period of time.

Objection: "My attorney and CPA told me not to buy long-term care insurance."

Answer: Many people still do not understand the subject of long-term care or appreciate what long-term care insurance provides in terms of protection.

Use this as an opportunity to demonstrate your professionalism and knowledge of the subject. The client's attorney or CPA may not have a lot of experience with long-term care. Emphasize that long-term care insurance provides valuable peace of mind, and the best way to prepare for the possibility of receiving long-term care.



Objection: “I have plenty of money. I’ll self-fund my care.”

Answer: Re-establish the need and discuss the financial impact on their retirement plan. Why not use pennies to protect dollars?

“You can use 1 percent of your retirement plan portfolio today to protect the other 99 percent.”

**The Closing Interview** During your closing interview:

- Reinforce the trust-based relationship established in the opening interview
- Visually show needs and solutions
- Provide education and value and
- Obtain agreement to take action on the prospect’s most pressing needs

**THE TRUE COST OF WAITING** When working with younger clients, emphasize these three important reasons to purchase long-term care insurance during their younger years:

- Anything could happen
- The client may not be insurable after a serious health condition develops
- The cost of care increases with time

**MARKETING AND PROSPECTING MATERIALS** Refer to Sales Professional Access, Forms and Materials for the most current Long-Term Care Marketing and Prospecting Materials.

**SUMMARY** The MutualCare® Solutions portfolio is designed to encourage people to share in the cost of their care. Be sure your clients understand that a long-term care policy isn’t intended to cover all of their costs. Instead, it can allow them to supplement the care they receive from family members with paid caregiving services. And while a long-term care policy is just part of the overall solution, it’s still a smart way for people to protect a portion of their retirement assets.



# UNIT 11

## REVIEW QUESTIONS

### ANSWER KEY

#### Units 1 and 2

1. d
2. b
3. c
4. a
5. d
6. d

#### Units 3 and 4

1. d
2. c
3. d
4. b
5. a

#### Units 5 and 6

1. b
2. d
3. a
4. d
5. d
6. c

#### Unit 7

1. c
2. a
3. d
4. b
5. b
6. a
7. d
8. d
9. c
10. a
11. b
12. b

#### Units 8 and 9

1. d
2. d
3. b
4. d
5. c
6. b