

## 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.

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### Premium Information (to be filled out by agent)

Policy Form Number(s) \_\_\_\_\_

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

**Type of Policy:** Guaranteed Renewable.

**The Company's Right to Increase Premiums:** The company has a right to increase premiums on this policy form in the future, provided we base the premium increase, by class, for everyone in your state, on the experience of this policy form. We will notify you in writing at least 45 days before your premium changes.

### Rate Increase History

The company has sold long term care insurance since 1990 and has sold this policy since 2003. The company has never raised its rates for any long term care policy it has sold in this state or any other state.

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### Questions Related to Your Income (to be filled out by applicant – proceed to "Disclosure Statement" if you choose not to complete this information)

How will you pay each year's premium?

From my Income       From my Savings/Investments       My Family will pay

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

What is your annual income? (check one)       Under \$10,000       \$10-20,000       \$20-30,000  
 \$30-50,000       Over \$50,000

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.*

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 care in 2001 was \$55,000, but this figure varies across the country.<sup>1</sup> In ten years the national average cost would be about \$89,589 if costs increase 5% annually.

**What elimination period are you considering?**

Number of days \_\_\_\_\_ Approximate cost \$ \_\_\_\_\_ for that period of care.

**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

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**Questions Related to Your Savings and Investments  
(to be filled out by applicant)**

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

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

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

Stay about the same       Increase       Decrease

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

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**Disclosure Statement  
(to be filled out by applicant)**

The answers to the questions above describe my financial situation.

Or

I choose not to complete this information. **(If this box is checked, applicant must complete "Authorization to Process Application" (Form X-0183) in order for application to be processed.)**

**(One of the above boxes, as well as the below box, must be checked.)**

**PLEASE READ – THE BELOW BOX MUST BE CHECKED**

I acknowledge that the carrier and/or its agent (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.**

Signed: \_\_\_\_\_  
(Applicant) (Date)

I explained to the applicant the importance of completing this information. **(This box must be checked.)**

Signed: \_\_\_\_\_  
(Agent) (Date)

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

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In order for us to process your application, please return this signed statement to Allianz Life Insurance Company of North America along with your application.

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

Signed: \_\_\_\_\_  
(Applicant) (Date)

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

<sup>1</sup> Long Term Care: Baby Boom Generation Increases Challenge of Financing Needed Services, United States General Accounting Office, March 2001