

# Suitability Statement

Make sure long term care insurance is right for you.



## Long Term Care Insurance

A long term care insurance policy may pay most of the costs for your care in a nursing home. Many policies also pay for care at home or other community settings. Since policies can vary in coverage, you should read this policy and make sure you understand what it covers before you buy it.

You should **not** buy this insurance policy unless you can afford to pay the premiums every year. Remember that the company can increase premiums in the future.

The personal worksheet includes questions designed to help you and the company determine whether this policy is suitable for your needs.

## Medicare

Medicare does **not** pay for most long term care.

## Medicaid

Medicaid will generally pay for long term care if you have very little income and few assets. You probably should **not** buy this policy if you are now eligible for Medicaid.

Many people become eligible for Medicaid after they have used up their own financial resources by paying for long term care services.

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When Medicaid pays your spouse's nursing home bills, you are allowed to keep your house and furniture, a living allowance, and some of your joint assets.

Your choice of long term care services may be limited if you are receiving Medicaid. To learn more about Medicaid, contact the Department of Social Services at 1-800-443-9943.

## Shopper's Guide

Make sure the insurance company or agent gives you a copy of a book called the National Association of Insurance Commissioners' "Shopper's Guide to Long Term Care Insurance." Read it carefully. If you have decided to apply for long term care insurance, you have the right to return the policy within 30 days and get back any premium you have paid if you are dissatisfied for any reason or choose not to purchase the policy.

## Counseling

Free counseling and additional information about long term care insurance are available through your state's insurance counseling program. Contact your state insurance department or department on aging for more information about the senior health insurance counseling program in your state.

## Additional Information to Help You with the Long Term Care Insurance Personal Worksheet

As part of your application for long term care insurance, your state long term care insurance regulations require that we ask you to provide us with documentation that would demonstrate the purchase of this insurance is appropriate in relation to your financial resources.

The inclusion of your financial information in this form, **the Long Term Care Insurance Personal Worksheet**, is voluntary. Your decision to provide or not provide the income and asset information will not affect your right as an individual to choose to purchase any form of insurance.

Completion of **the Long Term Care Insurance Personal Worksheet** will help you determine whether the purchase of this insurance will affect your standard of living. Again, the final choice to purchase or not remains with you. **Please be assured that all of your answers will be held in strictest confidence.**

As your long term care insurance provider, we have established some reasonable guidelines to help you in your considerations. If you are buying this policy to protect your assets and your assets are less than \$50,000, you may wish to consider other options for financing your long term care. While the purchase of long term care insurance can help you maintain your independence, help preserve your assets, and give you more freedom of choice as to nursing home or other care providers, we would advise against purchasing any policy that would create a financial hardship for you. The purchase of long term care insurance should be viewed as a commitment that may extend over many years. Your ability to pay the initial premium and renewal premiums must be taken into account in your decision to buy.

Your long term care insurance representative is well qualified to discuss **the Long Term Care Insurance Personal Worksheet** with you as well as appropriateness of your planned purchase. Thank you very much for considering us as your long term care insurance provider.

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

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

**SECTION A**

**Premium Information**

- Policy Form #:**     Classic Select<sup>SM</sup> **7042** or state equivalent     Privileged Choice<sup>SM</sup> **7044** or state equivalent  
 Classic Select<sup>SM</sup> Partnership **7043** or state equivalent     Privileged Choice<sup>SM</sup> Partnership **7045** or state equivalent

**The premium for the coverage you are thinking about buying will be:**    \$ \_\_\_\_\_ annually    \$ \_\_\_\_\_ semi-annually  
 (Complete **only** the premium for the desired payment frequency.)    \$ \_\_\_\_\_ quarterly    \$ \_\_\_\_\_ monthly

**The Company's Right to Increase Premiums**

The company has a right to increase premiums in the future subject to approval of the Connecticut Insurance Department.

**Rate Increase History**

The company has sold long term care insurance since 1974, and has sold this policy since 2004. The company has not raised its rates for this policy, and has never increased premiums for any prior policies providing essentially similar coverage.

**Questions Related to Your Income**

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

- Yes     No

**How will you pay for each year's premium**

- From my Income     From my Savings/Investments     My Family will Pay     Other (friends, entities, etc.)

**SECTION B**

**What is your annual income (include all sources such as interest on investments, etc.)?**

- Check One:     Under \$10,000     \$10,000-\$20,000     \$20,000-\$50,000     Over \$50,000

**How do you expect your income to change in the next 10 years?**

- Check One:     No change     Increase     Decrease

*If you will be paying 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.*

**Questions Related to Your Savings and Investments**

**Not counting your home, about how much are all of your assets worth (your savings & investments) ?**

- Check One:     Under \$20,000     \$20,000-\$50,000     \$50,000-\$100,000     Over \$100,000

**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 \$50,000, you may wish to consider other options for financing your long-term care.*

**Disclosure Statement**

- Check one** —  The answers to the preceding questions accurately describe my financial situation.  
 -or-  
 I choose not to complete this information (in section B on the prior page), and I have signed the Verification of Financial Non-Disclosure below.

**NOTE:** Section A on the prior page must be completed even if you do not disclose your financial information.

**X** \_\_\_\_\_  
**Applicant A Signature** **Printed Name** **Date**

**X** \_\_\_\_\_  
**Applicant B Signature** **Printed Name** **Date**

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

**X** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Agent's Signature**

\_\_\_\_\_  
**Agent's Printed Name**

**Complete this section ONLY if your agent has advised you that this policy may not be suitable for you.**

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.

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

**In order for us to process your application, please return this signed statement to General Electric Capital Assurance Company, along with your application. The company may contact you to verify your answers.**

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**Verification of Financial Non-Disclosure**

Please check below and return this form with your signed Personal Worksheet.

- Yes, I wish to purchase this coverage. I still choose not to complete the financial information required in the **Long Term Care Insurance Personal Worksheet**. Please resume your review of my application.
- No, I have decided not to buy a policy at this time.

**X** \_\_\_\_\_ **Printed Name** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Applicant A Signature**

**X** \_\_\_\_\_ **Printed Name** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Applicant B Signature**

**An approved policy WILL NOT BE ISSUED until the Long Term Care Insurance Personal Worksheet (and if applicable, the Verification of Financial Non-Disclosure) has been fully completed and received by the company.**