

Release of Liability for 90/100 or more EP

dated _____

My agent, _____, has provided me/us with the following information:

1. Medicare approves benefits for skilled, generally rehabilitative, care in a nursing facility (up to a maximum 100 days, if qualified) or at home, and then only for the number of days that a person continues to require skilled services. (Medicare does not generally approve benefits for assisted living.)

2. Long term care may be defined as custodial care and services to assist someone with activities of daily living or cognitive impairment. Medicare does not pay for long term care.

3. Individuals receiving long term care services are not likely to receive any meaningful benefit from Medicare during the elimination period of a long term care insurance policy.

4. At today's costs, an out-of-pocket payment for a 100-day elimination period could be in excess of \$18,000. That amount will increase over time depending on cost of care increases.

5. Elimination periods are generally counted in "service days" meaning that 90/100 days of actual care service days (including home health care of possibly 2 to 3 days a week) would have to be met in order for the policy to begin paying benefits.

6. Premium savings between longer and shorter EPs will not be sufficient to cover the additional out-of-pocket expense.

7. The waiver of premium feature of my/our LTC insurance policy does not become effective until the policy begins to pay benefits AFTER the elimination period. So, a 90/100-day elimination period would delay the waiver for 70/80 days (compared to a 20/30-day EP). Premiums paid in advance are returned on a pro-rated basis when the waiver becomes effective.

I/we understand the possible additional expenses of selecting a 90/100-day elimination period.
