



**IIPRC-LTC-I-3-APPFORMS
STANDARDS FOR FORMS REQUIRED TO BE USED WITH
AN INDIVIDUAL LONG-TERM CARE INSURANCE APPLICATION**

1. Date Adopted: June 26, 2017
2. Purpose and Scope: These standards apply to products advertised, marketed or offered to provide benefits for one or more of the following: nursing home care, assisted living care or home health care and adult day care.

Partnership: Approval by the Interstate Insurance Product Regulation Commission (“IIPRC”) of long-term care insurance product filings in compliance with one or more of the Uniform Standards for Individual Long-Term Care Insurance shall not be deemed as approval to use or provide any component of the product filing pursuant to any federal or state Individual Long-Term Care Insurance Partnership Program (“Partnership”).

3. Rules Repealed, Amended or Suspended by the Rule: In accordance with the Five-Year Commission Review of Rules required by § 119 of the Rule for the Adoption, Amendment and Repeal of Rules for the Interstate Insurance Product Regulation Commission, this rule amends the *Standards for Forms Required to Be Used With an Individual Long-Term Care Insurance Application* originally adopted by the Interstate Insurance Product Regulation Commission on August 13, 2010 and amended on April 25, 2011. The amendments apply only to new filings received after the effective date of the amendments. It is not necessary to resubmit previously approved forms to comply with these amendments, or to suspend use of previously approved forms that do not comply with these amendments. See the **Transmittal Memo** under the Standards History on the Record for a more detailed description of the amendments.
4. Statutory Authority: Among the IIPRC’s primary purposes and powers is to establish reasonable uniform standards for the insurance products covered in the Interstate Insurance Product Regulation Compact (“Compact”), specifically pursuant to Article I §2, Article IV §2 and Article VII §1 of the Compact, as enacted into law by each IIPRC member state.
5. Required Findings: These standards are not available to be used in combination with State Product Components as described in §111(b) of the Operating Procedure for the Filing and Approval of Product Filings. These standards are not available to be filed using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission.
6. Effective Date: October 10, 2017

**STANDARDS FOR FORMS REQUIRED TO BE USED WITH
AN INDIVIDUAL LONG-TERM CARE INSURANCE APPLICATION**

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**STANDARDS FOR FORMS REQUIRED TO BE USED WITH
AN INDIVIDUAL LONG-TERM CARE INSURANCE APPLICATION**

- **SUITABILITY FORMS**
- **POTENTIAL RATE INCREASE DISCLOSURE FORM**
- **REPLACEMENT NOTICE**
- **HIPAA MEDICAL AUTHORIZATION**

Scope: These standards are intended to apply to the forms that are required to be used with individual long-term care applications. References to Appendices A, B, C or D in these standards shall be deemed to only require companies to comply with the requirements as they are applicable to individual long-term care insurance forms.

Mix and Match: These standards are not available to be used in combination with State Product Components as described in § 111(b) of the Operating Procedure for the Filing and Approval of Product Filings.

Self-Certification: These standards are available to be filed using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission. Any deviation from the standards prescribed shall require prior approval.

Drafting Note: In accordance with the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission, a filing submitted as a Self-Certified Product Filing is subject to monitoring and review for compliance with the applicable standards, including the accuracy of the information required to be included in the forms. Monitoring and review can lead to reconsideration, suspension and withdrawal of the filing and the privilege of self-certification.

As used in these standards the following definitions apply:

“Issue age rate schedules” are rate schedules where premiums are based on issue age and where premiums are not expected to change during the premium-paying period due to attained age or duration since issue. Single premium and limited pay plans (e.g., 20-pay policy) are allowed under this definition. The addition of increases in the benefit level that require additional premium, based on the issue age rate schedule applied at an insured’s current age at the time of each increase in the benefit level, are allowed under this definition.

“Modified rate schedules” are rate schedules where premiums are based on issue age and where premiums are scheduled to increase during the premium-paying period according to a specified pattern due to attained age or duration since issue as permitted by § 2B(6) of the *Rate Filing Standards for Individual Long-Term Care Insurance—Modified Rate Schedules*. Limited pay policies (e.g., 20-pay policy) and noncancellable policies are allowed under this definition.

“Premium rate schedule increase” shall mean an increase to either of the above two rate schedules approved to apply to in-force policies.

“Similar policy forms” means all of the long-term care insurance policies and amendments, riders or endorsements issued by the company in the same long-term care benefit classification as the policy being considered. For purposes of determining similar policy forms, long-term care benefit classifications are defined as follows: institutional long-term care benefits only, non-institutional long-term care benefits only, or comprehensive long-term care benefits.

“Model Act” means the NAIC *Long-Term Care Insurance Model Act* (#640) as adopted by the NAIC on September 1, 2000, and as subsequently amended.

“Model Regulation” means the NAIC *Long-Term Care Insurance Model Regulation* (#641) as adopted by the NAIC on September 1, 2000, and as subsequently amended.

§ 1. FORM REQUIREMENTS

A. SUITABILITY FORMS

(1) *Long-Term Care Insurance Personal Worksheet.*

- (a) The standards for the Personal Worksheet shall be, at a minimum, those prescribed in Appendix A of these standards as subsequently amended in Appendix B of the Model Regulation, and the text used shall not be less than 12-point type.
- (b) The company may request the applicant to provide additional information to comply with its suitability standards.
- (c) The Rate Increase History section of the Personal Worksheet shall accurately list information regarding each premium rate schedule increase on this policy form or similar policy forms over the past 10 years nationwide that, at a minimum, identifies:
 - (I) The policy forms for which premium rate schedule has been increased;
 - (II) The calendar years when the form was available for purchase; and
 - (III) The amount or percent of each premium rate schedule increase. The percentage may be expressed as a percentage of the premium rate prior to the increase, and may also be expressed as minimum and maximum percentages if the increase is variable by rating characteristics.
- (ii) The company may, in a fair manner, provide additional explanatory information related to the premium rate schedule increases.
- (iii) The company may exclude from the disclosure premium rate schedule increases that only apply to blocks of business acquired from other nonaffiliated companies or long-term care policies acquired from other nonaffiliated companies when those increases occurred prior to the acquisition.

- (d) Supporting documentation for each state validating the Rate Increase History section of the Personal Worksheet shall also be included with the filing.
- (e) If an acquiring company files for a premium rate schedule increase on a long-term care policy form or forms acquired from nonaffiliated companies within a twenty-four-month period following the acquisition of the policy form or forms,
 - (i) The acquiring company may exclude that premium rate schedule increase from the disclosure; and
 - (ii) The nonaffiliated selling company shall include the disclosure of that premium rate schedule increase.
- (f) If the acquiring company in § 1A(1)(d) files for a subsequent premium rate schedule increase, even within the 24-month period, on the same policy form or forms acquired from nonaffiliated companies referenced in § 1A(1)(d) the acquiring company shall make all disclosures required by § 1A(1)(d), including disclosure of the earlier premium rate schedule increase referenced in § 1A(1)(d).

Drafting Notes:

- (1) If the company expects to provide additional information (such as a brief description of significant variations in policy provisions if the form is not the policy form applied for by the applicant or information about policy forms offered during or before the calendar years of forms with premium rate schedule increases), the Interstate Insurance Product Regulation Commission should be satisfied that the additional information is fairly presented in relation to the information about premium rate schedule increases.

Drafting Note: Standard based on § 9, Required Disclosure of Rating Practices to Consumer, § 24, Suitability, and Appendix B, Personal Worksheet, of the Model Regulation.

- (2) *Things You Should Know Before You Buy Long-Term Care Insurance.* The standards for this disclosure shall be those prescribed in Appendix B of these standards, and the text used shall not be less than 12-point type.

Drafting Note: Standard based on § 24, Suitability, and Appendix C, Things You Should Know Before You Buy Long-Term Care Insurance, of the Model Regulation.

B. POTENTIAL RATE INCREASE DISCLOSURE FORM

- (1) The standards for this disclosure shall be those prescribed in this subsection and Appendix C of these standards as subsequently amended in Appendix F of the Model Regulation.
- (2) This disclosure is not applicable to noncancellable policies, including single premium policies.
- (3) The company shall provide a Potential Rate Increase Disclosure Form that shall contain:

- (a) A statement that the policy may be subject to premium rate schedule increases in the future;
- (b) An explanation of potential future premium rate schedule revisions and the applicant's option in the event of a premium rate schedule revision;
- (c) The premium rate schedule applicable to the applicant that will be in effect until a request is made for an increase;
- (d) A general explanation for applying premium rate schedule adjustments that shall include:
 - (i) A description of when premium rate schedule adjustments will be effective (e.g., next anniversary date, next billing date, etc.); and
 - (ii) The right to a revised premium rate schedule as provided in § 1.B(3)(c) if the premium rate schedule is changed;

Drafting Note: Standard based on § 9, Required Disclosure of Rating Practices to Consumers, and Appendix F, Long-Term Care Insurance Potential Rate Increase Disclosure Form, of the Model Regulation.

C. NOTICE TO APPLICANT REGARDING REPLACEMENT OF INDIVIDUAL ACCIDENT AND SICKNESS OR LONG-TERM CARE INSURANCE

- (1) If it is determined that a sale will involve replacement, the company shall provide a Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance in the manner prescribed in Appendix D of these standards.

Drafting Note: Standard based on § 14, Requirements for Application Forms and Replacement Coverage, of the Model Regulation.

D. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT of 1996 (HIPAA) MEDICAL AUTHORIZATION

- (1) The standards for the authorization shall be those prescribed in HIPAA and as later prescribed in the HIPAA Privacy Rule, 45 C.F.R. 164.500, et al.

§ 2. ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following additional filing submission requirements shall apply:

- (1) All forms filed for approval shall be included with the filing. Changes to a previously approved form shall be highlighted.
- (2) If a filing is being submitted on behalf of a company, include a letter or other document authorizing the firm to file on behalf of the company.
- (3) Include a statement of the types of policy forms which will be used with the form.
- (4) Include a statement of how the form will be used, such as paper or electronic. For electronic uses, the company shall describe the procedures that will be used to verify the authenticity of the transaction.

B. VARIABILITY OF INFORMATION

- (1) The company may identify items that will be considered variable in the forms, but such variability shall be limited to that permitted in these standards or the respective Model Regulation and Model Act.
- (2) If the form contains variable items, each item shall be bracketed or otherwise marked to denote variability. The submission shall include a Statement of Variability that will discuss both the conditions under which each variable item may change as well as the alternative language that may be used. The Statement of Variability shall present reasonable and realistic illustrations of how the item may change. The submission shall also include a certification that any change or modification to a variable item shall be administered in accordance with the requirements in the Variability of Information section.
- (3) Notwithstanding § 2.B(1) above, items such as the company address and telephone number may be denoted as variable and changed without notice or prior approval.

C. COVER PAGE OR FIRST PAGE

- (1) The full corporate name, including city and state of the company shall appear in prominent print on the cover page or first page of the form. “Prominent print” means, for example, all capital letters, contrasting color, underlined or otherwise differentiated from the other type on the form.
- (2) A marketing name or logo may also be used on the cover page or first page of the form provided that the marketing name or logo does not mislead as to the identity of the company.
- (3) Each company’s complete mailing address shall appear on the cover page or first page of the form.
- (4) A form identification number shall appear at the bottom of the form in the lower left hand corner of the form. The form number shall be adequate to distinguish the form from all others used by the company. The form number shall include a prefix of ICCxx (where xx represents the appropriate year the form was submitted for filing) to indicate it has been approved by the Interstate Insurance Product Regulation Commission.

APPENDIX A

Drafting Note: Companies shall at a minimum provide all of the information shown below and in the same order. The company may include additional information related to this long-term care insurance coverage in relevant and readable language. Bracketed statements indicate the companies should choose the applicable statement, are allowed flexibility in inserting numerical ranges, etc.

Long-Term Care Insurance Personal Worksheet

This worksheet will help you understand some important information about this type of insurance. State law requires companies issuing this [policy] [certificate] [rider] to **give** you some important facts about premiums and premium increases and to **ask** you some important questions to help you and the company decide if you should buy this [policy] [certificate] [rider]. Long-term care insurance can be expensive and it may not be right for everyone.

Premium Information

The premium for the coverage you're considering will be [\$_____ per [insert payment interval] **or a total of** [\$_____ per year] [a one-time single premium of \$_____].

The premium quoted in this worksheet isn't guaranteed and may change during the underwriting process and in the future while this [policy] [certificate] [rider] is in force.

Drafting Note: Companies will insert payment interval – monthly, quarterly, etc. and the appropriate dollar amount.

Type of Policy & The Company's Right to Increase Premiums on the Coverage You Choose:

[[Noncancellable - The company **can't** increase your premiums on this [policy] [certificate] [rider]].

[Guaranteed renewable - The company **can** increase your premiums on this [policy] [certificate] [rider] in the future if it increases the premiums for all [policies] [certificates] [riders] like yours in this state.]

[Paid-up - This [policy] [certificate] [rider] will be paid-up after you have paid all of the premiums specified in your [policy] [certificate] [rider].]

Drafting Note: Companies will insert the appropriate policy type and the associated bracketed statement. Premium guarantees shall not be shown on this form.

Premium Increase History

[Name of company] has sold long-term care insurance since [year] and has sold this [policy] [certificate] [rider] since [year].

[The company has never increased its premiums for any long-term care [policy] [certificate] [rider] it has sold in this state or any other state.]

[The company has not increased its premiums for this [policy] [certificate] [rider] or similar [policies] [certificates] [riders] in this state or any other state in the last ten (10) years.]

[The company has increased its premiums on this [policy] [certificate] [rider] or similar [policies] [certificates] [riders] in the last ten (10) years. A summary of those premium increases follows.]

Drafting Note: If the summary of premium increases is extensive, the company may disclose the required premium increase history via an addendum attached to this worksheet. The company may substitute the language below for the last sentence in the paragraph above and include the full summary as an attachment to this worksheet.

“Over the past three (3) years, the company has increased premiums by ____%.” “A summary of premium increases in the last ten (10) years is attached to this worksheet.”

Companies that have increased premiums by thirty percent (30%) or more in the last ten (10) years must include the following statement: “There was a thirty percent (30%) or greater premium increase in ____ (insert year).” “A summary of premium increases in the last ten (10) years is attached to this worksheet.”

Questions About Your Income

You do **not** have to answer the questions that follow. They’re intended to make sure you’ve thought about how you’ll pay premiums and the cost of care your insurance doesn’t cover. If you don’t want to answer these questions, you should understand that the company might refuse to insure you.

What resources will you use to pay your premium?

- Current income from employment Current income from investments Other current income
 Savings Sell investments Sell other assets Money from my family Other _____

If you’ll 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] [certificate] [rider] if the premiums will be more than seven percent (7%) of your income.

Could you afford to keep this [policy] [certificate] [rider] if your spouse or partner dies first?

- Yes No Hadn’t thought about it Don’t know Doesn’t apply

[What would you do if the premiums went up, for example, by fifty percent (50%)?

- Pay the higher premium Call the company/agent Reduce benefits Drop the [policy] [certificate] [rider] Don’t know]

Drafting Note: The company is not required to use the bracketed question above if the coverage is fully paid up or is noncancellable.

What is your household annual income from all sources? (check one)

- [Less than \$10,000] [\$10-19,999] [\$20-29,999] [\$30-50,000] [More than \$50,000]

Drafting Note: The companies may choose the income ranges to put in the brackets to fit its suitability standards.

Do you expect your income to change over the next ten (10) years? (check one)

No Yes, expect increase Yes, expect decrease

If you plan to pay premiums from your income, have you thought about how a change in your income would affect your ability to continue to pay the premium?

Yes No Don't know

Will you buy inflation protection? (check one)

Yes No

Inflation may increase the cost of long-term care in the future.

If you don't buy inflation protection, how will you pay for the difference between future costs and your daily benefit amount?

From my income From savings From investments Sell other assets Money from my family
 Other

The national average annual cost of long-term care in [insert year] was [insert \$ amount], but this figure varies across the country. In ten years the national average annual cost would be about [insert \$ amount] if costs increase five percent (5%) annually.

Drafting Note: The projected cost can be based on federal estimates in a current year. This figure should also be used when calculating the cost of long-term care in the "approximate cost \$_____ for that period of care" question found below. In the above statement, the second figure will equal one hundred sixty-three percent (163%) of the first figure.

What [elimination period][waiting period][cash deductible] are you considering?

[Number of days _____ in [elimination period][waiting period]

Approximate cost of care for this period: \$_____

(\$xxx per day times number of days in [elimination period][waiting period], where "xxx" represents the most recent estimate of the national daily average cost of long-term care)]

[Cash Deductible \$_____]

How do you plan to pay for your care during the [elimination period] [waiting period] [deductible period]? (check all that apply)

From my income From my savings/investments My family will pay

Questions About Your Savings and Investments

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

- [Less than \$20,000] [\$20,000-\$29,999] [\$30,000-\$49,999] [More than \$50,000]

Drafting Note: Companies may choose the asset ranges to put in the brackets to fit its suitability standards.

Do you expect the value of your assets to change over the next ten (10) years? (check one)

- No Yes, expect to increase Yes, expect to decrease

If you're buying this [policy] [certificate] [rider] to protect your assets and your assets are less than \$50,000, experts suggest you think about other ways to pay for your long-term care.

Disclosure Statement

- The answers to the questions above describe my financial situation.

Or

- I choose not to complete this information.

(Check one.)

- I agree that the company and/or its agent (below) has reviewed this worksheet with me including the premium, premium increase history and potential for premium increases in the future. I understand the information contained in this worksheet. (This box must be checked.)

Drafting Note: For direct mail situations, the lead in sentence should be changed to "I agree that I have reviewed this worksheet including the premium...."

Signed: _____
(Applicant) (Date)

- I explained to the applicant the importance of answering these questions.

Signed: _____
(Agent) (Date)

Agent's Printed Name: _____]

[In order for us to process your application, please return this signed worksheet to [name of company], along with your application.]

[My agent has advised me that this long-term care insurance [policy] [certificate] [rider] doesn't seem to be suitable for me. However, I still want the company to consider my application.]

APPENDIX B

Things You Should Know Before You Buy Long-Term Care Insurance

- 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.]

Drafting Note: For single premium policies, delete this bullet; for noncancellable policies, delete the second sentence only.

- 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.
 - 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 your local or state Medicaid agency.
- Shopper's Guide**
- Make sure the insurance company or agent gives you a copy of a book called the National Association of Insurance Commissioners' "A 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. For more information about the senior health insurance counseling program in your state, contact the state agency listed in the Directories in the above mentioned Shopper's Guide To Long-Term Care Insurance.
- Facilities**
- Some long-term care insurance contracts provide for benefit payments in certain facilities only if they are licensed or certified, such as in assisted living centers. However, not all states regulate these facilities in the same way. Also, many people move into a different state from where they purchased their long-term care insurance policy. Read the policy carefully to determine what types of facilities qualify for benefit payments, and to determine that payment for a covered service will be made if you move to a state that has a different licensing scheme for facilities than the one in which you purchased the policy.

APPENDIX C

Instructions: Insurers shall provide all of the following information to the applicant regarding premium, premium adjustments, potential premium increases, and policyholder options in the event of a premium increase except as noted below. This form does not need to be provided in the event the policy does not reserve the right to increase rates.

As used in this Appendix:

“Policy” shall mean policy, certificate, or rider, as applicable.

“Premium” shall include premium schedules, as applicable.

Companies may substitute whichever term is appropriate to reflect the long-term care insurance for which the applicant is applying.

Long-Term Care Insurance Potential Premium Increase Disclosure Form

Important Notice: Your long-term care insurance company **may** increase the premium for your policy **every year**. You have certain rights and it’s important that you understand them before you buy a long-term care insurance policy. Please read this information and be sure you understand it before you buy a policy.

This policy is guaranteed renewable. Companies can increase the premiums for guaranteed renewable policies in the future. The company **cannot** increase your premiums because **you’re** older or **your** health declines. It can increase premiums based on the experience of all individuals with a policy like yours.

1. What Is Your Premium?

The agent/company has quoted you a premium of [\$_____] for this policy. This is **not** a final premium. The premium might change during the underwriting process or if you choose different benefits. The premium you’ll be required to pay for your policy will be [shown on the schedule page of] [will be attached to] your policy.

2. How Will I Know If My Premium Is Changing?

The company will send you a notice. The notice will include the new premium and when you will start paying it. It also will give you ways you could avoid paying a higher premium. One likely choice will be to keep your insurance policy, but with fewer or lower benefits than you bought. Another choice may be to stop paying premiums and have a “paid-up” policy with fewer or lower benefits than the policy you bought. You may have other choices.

**APPENDIX D
VERSION 1 FOR SOLICITATIONS OTHER THAN DIRECT RESPONSE**

**NOTICE TO APPLICANT REGARDING REPLACEMENT
OF INDIVIDUAL ACCIDENT AND SICKNESS OR LONG-TERM CARE INSURANCE**

[Insurance company's name and address]

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to [your application] [information you have furnished], you intend to lapse or otherwise terminate existing accident and sickness or long-term care insurance and replace it with an individual long-term care insurance policy to be issued by [company name]. Your new policy provides thirty (30) days within which you may decide, without cost, whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

You should review this new coverage carefully, comparing it with all accident and sickness or long-term care insurance coverage you now have, and terminate your present policy only if, after due consideration, you find that purchase of this long-term care coverage is a wise decision.

STATEMENT TO APPLICANT BY AGENT [BROKER OR OTHER REPRESENTATIVE]:
(Use additional sheets, as necessary.)

I have reviewed your current medical or health insurance coverage. I believe the replacement of insurance involved in this transaction materially improves your position. My conclusion has taken into account the following considerations, which I call to your attention:

1. Health conditions that you may presently have (preexisting conditions), may not be immediately or fully covered under the new policy. This could result in denial or delay in payment of benefits under the new policy, whereas a similar claim might have been payable under your present policy.
2. State law provides that your replacement policy or certificate may not contain new preexisting conditions or probationary periods. The company will waive any time periods applicable to preexisting conditions or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.
3. If you are replacing existing long-term care insurance coverage, you may wish to secure the advice of your present company or its agent regarding the proposed replace-

APPENDIX D, Continued

ment of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

Date: June 26, 2017
Adopted by the IIPRC
Standards For Forms Required To Be Used With
An Individual Long-Term Care Insurance Application

4. If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, reread it carefully to be certain that all information has been properly recorded.

(Signature of Agent, Broker or Other Representative)

[Typed Name and Address of Agent or Broker]

The above "Notice to Applicant" was delivered to me on:

(Applicant's Signature)

(Date)

APPENDIX D
VERSION 2 FOR DIRECT RESPONSE SOLICITATIONS

**NOTICE TO APPLICANT REGARDING REPLACEMENT
OF ACCIDENT AND SICKNESS OR LONG-TERM CARE INSURANCE**

[Insurance company's name and address]

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to [your application] [information you have furnished], you intend to lapse or otherwise terminate existing accident and sickness or long-term care insurance and replace it with the long-term care insurance policy delivered herewith issued by [company name]. Your new policy provides thirty (30) days within which you may decide, without cost, whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

You should review this new coverage carefully, comparing it with all accident and sickness or long-term care insurance coverage you now have, and terminate your present policy only if, after due consideration, you find that purchase of this long-term care coverage is a wise decision.

1. Health conditions which you may presently have (preexisting conditions), may not be immediately or fully covered under the new policy. This could result in denial or delay in payment of benefits under the new policy, whereas a similar claim might have been payable under your present policy.
2. State law provides that your replacement policy or certificate may not contain new preexisting conditions or probationary periods. Your company will waive any time periods applicable to preexisting conditions or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.
3. If you are replacing existing long-term care insurance coverage, you may wish to secure the advice of your present company or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.
4. [To be included only if the application is attached to the policy.] If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, read the copy of the application attached to your new policy and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to [company name and address] within thirty (30) days if any information is not correct and complete, or if any past medical history has been left out of the application.