

Contingent Nonforfeiture

Most states now require the inclusion of a Contingent Nonforfeiture Provision in each TQ LTCI policy. The Contingent Nonforfeiture provides that should the insurance company increase the insured's premium to a level that results in a cumulative percentage increase equal to or higher than state-prescribed percentages, the insured will have the right to:

- reduce the current policy benefits without any underwriting, so that the required premium payments are not increased; or
 - convert the current coverage pursuant to the Contingent Nonforfeiture Benefit which will change the Policy Limit and change the Policy to paid-up status.
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Hospice Care

Hospice Care services are designed to provide palliative care and to alleviate physical, emotional, social and spiritual discomforts of a terminally ill individual, as well as providing supportive care to the primary caregiver and family of the terminally ill individual.

Guaranteed Renewable

A Guaranteed Renewable long-term care insurance contract is one that the insurance company guarantees the insured a chance to renew until all benefits have been exhausted as long as the insured continues to make timely premium payments. This provision does not, however, mean that premiums will not increase.

Tax-Qualified Long-Term Care Insurance contracts must be at least Guaranteed Renewable.

Pre-Existing Condition

A Pre-Existing Condition is any health problem for which the insured received medical treatment or advice within the past 6 months.

Tax Qualified

Tax Qualified LTCI plans are those that meet the criteria set forth in HIPAA, the Health Insurance Portability and Accountability Act of 1996.

Under HIPAA, to be considered a Tax Qualified Policy, the insured can only qualify for benefits if he or she is expected to be unable to perform at least two out of six ADLs without substantial assistance from another individual for at least 90 days, or is severely Cognitively Impaired.

Third Party Notification

Many policies offer the insured the opportunity to designate a third party to receive a lapse notice in the event that the insured fails to pay premium when due. This helps to prevent

unintentional lapses of coverage in the event the insured develops a mental or physical condition that prevents him or her from paying the premiums.

30 Day Right of Review (also Free Look Period)

All Tax-Qualified LTCI policies must offer the insured a 30 day right to review the policy. During this 30 day period, the individual has the right to review the policy and if not satisfied with the policy, the individual may return the policy to the agent or insurance carrier and receive a full premium refund.

Provided by: [Agape Long Term Care - AgapeLongTermCare.com](http://AgapeLongTermCare.com)