



## Penn Treaty Network America Insurance Company<sup>SM</sup>

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### Long Term Care Personal Worksheet for use with Comprehensive Policies

(Comprehensive policies provide coverage for both Facility and Home/Community-Based Care Benefits)  
(Policy Form Series PF2600-2; ALP w/RIL3; ALP w/RIL4; IL4 w/RALP; and SR400 w/SR450)

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**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.

#### **Premium Information** *Policy Form Series* \_\_\_\_\_

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

#### **Type of Policy**

*Guaranteed Renewable* - The Company cannot cancel or change the policy, provided premiums are paid in a timely manner. The Company does have a right to increase premiums if they are changed for everyone who has the same policy form in your state.

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

The Company has a right to increase premiums on this Policy Form Series in the future, provided it raises rates for all policies in the same class in this state.

## Rate Increase History

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The Company has sold Long Term Care Insurance since 1972 and has sold this Policy Form Series since 1999. The Company has not raised its premium rates on this Policy Form Series, however, it has raised its rates on similar policy form series in the last 10 years. Following is a summary of these rate increases:

<b><u>Form</u></b>	<b><u>Years Available</u></b>	<b><u>Percentage</u></b>
<b>CCB</b>	<b>1987 to 1991 .....</b>	<b>35% increase in 2002</b>
	<i>States: FL</i>	

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The increase on Policy Form Series CCB was on the policy providing coverage for facility stays and home health care. Policy Form CCB was originally issued by another company. The business was acquired by the company in 1991.

<b>NHPGR</b>	<b>1980 to 1988 .....</b>	<b>12.5% to 20% increase in 1993</b>
	<i>States: PA</i>	
	<b>.....</b>	<b>15% increase in 1994</b>
	<i>States: MD</i>	
	<b>.....</b>	<b>15% increase in 1995</b>
	<i>States: MD and PA</i>	

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These increases on Policy Form Series NHPGR were only on the base policy providing coverage for facility stays.

<b>NHP</b>	<b>1987 to 1993 .....</b>	<b>10% to 13% increase in 1994</b>
	<i>States: AZ, FL, MD, PA</i>	
	<b>.....</b>	<b>35% increase in 2002</b>
	<i>States: FL</i>	

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The rate increase in 1994 on Policy Form Series NHP was only on the base policy providing coverage for facility stays. The rate increase in 2002 on Policy Form Series NHP was on the base policy providing coverage for facility stays and on a rider providing coverage for home health care. The 2002 rate increase amount shown above for Policy Form Series NHP indicates the change in both the base policy premium and the home health care rider premium.

<b>LTC-400</b>	<b>1989 to 1991 .....</b>	<b>35% increase in 2002</b>
	<i>States: FL</i>	

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The increase on Policy Form Series LTC-400 was on the policy providing coverage for facility stays and home health care. Policy Form LTC-400 was originally issued by another company. The business was acquired by the company in 1991.

<b>LTC-1</b>	<b>1988 to 1993 .....</b>	<b>8% to 10% increase in 1994</b>
	<i>States: AZ, FL, MD, OH, PA</i>	
	<b>.....</b>	<b>35% increase in 2002</b>
	<i>States: FL</i>	

The rate increase in 1994 on Policy Form Series LTC-1 was only on the base policy providing coverage for facility stays. The rate increase in 2002 on Policy Form Series LTC-1 was on the base policy providing coverage for facility stays and on a rider providing coverage for home health care. The 2002 rate increase amount shown above for Policy Form Series LTC-1 indicates the change in both the base policy premium and the home health care rider premium.

<b>NF93</b>	<b>1993 to 1998 .....</b>	<b>40% increase in 2002</b>
	<i>States: MI, MO, OH, TN</i>	

The increase on Policy Form Series NF93 was on the base policy providing coverage for facility stays and on a rider providing coverage for home health care. The rate increase amounts shown above for Policy Form Series NF93 indicate the change in both the base policy premium and the home health care rider premium.

<b>LTC91</b>	<b>1992 to 1997 .....</b>	<b>10% increase in 1996</b>
	<i>States: AK, CO, DE, DC, GA, HI, ID, LA, MO, MT, NE, NV, OH, TN, TX, WI, WY</i>	
	<b>.....</b>	<b>10% increase in 1999</b>
	<i>States: AK, AZ, CA, CO, DE, ID, IL, IA, KY, MD, MO, NV, NM, OH, PA, SD, UT, WA, WY</i>	
	<b>.....</b>	<b>17.5% to 40% increase in 2002</b>
	<i>States: AK, AZ, CA, CO, FL, ID, IL, KY, LA, MD, MS, MO, MT, NE, NM, OH, OK, PA, SD, TN, TX, VA, WA, WY</i>	

The increases on Policy Form Series LTC91 were on the base policy providing coverage for facility stays and on a rider providing coverage for home health care. The rate increase amounts shown above for Policy Form Series LTC91 indicate the change in both the base policy premium and the home health care rider premium.

<b>LTC94</b>	<b>1990 to 2000 .....</b>	<b>20% to 40% increase in 2002</b>
	<i>States: AK, AZ, CA, CO, FL, IL, KY, MD, MI, MS, MO, NE, NC, OH, PA, SC, TN, VA</i>	

The increase on Policy Form Series LTC94 was on the policy providing coverage for facility stays and home health care.

<b>IL94</b>	<b>1994 to 2001 .....</b>	<b>10% increase in 1997</b>
	<i>States: AK, AZ, GA, HI, IL, IA, KY, LA, MI, MS, MT, NE, NV, NH, NM, OH, OK, PA, SD, TN, TX, WA, WY</i>	
	<b>.....</b>	<b>25% increase in 2002</b>
	<i>States: AK, AZ, CO, IL, KY, LA, MI, MS, MO, MT, NE, NM, NC, OH, OK, PA, SD, TN, TX, VA, WY</i>	

The increases on Policy Form Series IL94 was on the base policy providing coverage for home health care and on a rider providing coverage for facility stays. The rate increase amounts shown above for Policy Form Series IL94 indicate the change in both the base policy premium and the facility rider premium.

**2400/6000      1995 to 2001 ..... 17% to 35% increase in 2002**  
*States: AK, AR, AZ, CO, FL, IL, KY, LA, MI, MS, MO, MT, NE, NM, NC, OH, PA, SD, TN, TX,*  
*VA, WA, WY*

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The increase on Policy Form Series 2400/6000 was on the base policy providing coverage for facility stays and on a rider providing coverage for home health care. The rate increase amounts shown above indicate the change in both the base policy premium and the home health care rider premium.

**2600/6500      1996 to 2001 ..... 20% to 77% avg. increase in 2002**  
*States: AK, AR, AZ, CA, CO, FL, IL, KY, LA, MD, MI, MS, MO, MT, NE, NC, OH, PA, SC, SD,*  
*TN, TX, WA, WI, WY*

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The increase on Policy Form Series 2600/6500 was on the policy providing coverage for facility stays and home health care.

**IL2/6700      1997 to 2001 ..... 15% increase in 2002**  
*States: AZ, AR, CO, HI, ID, IL, KY, LA, MI, MS, MO, MT, NE, NM, NC, OH, OK, PA, SD, TN,*  
*VA, WY*

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The increase on Policy Form Series IL2/6700 was on the base policy providing for home health care and on a rider providing coverage for facility stays. The rate increase amount shown above indicates the change in both the base policy premium and the facility rider premium.

One of the factors contributing to our having to raise rates on our older facility policies, which include Policy Form Series NHPGR, NHP, LTC-1, NF93, and LTC91 was our decision to cover care/assistance received in an Assisted Living Facility under our older policies, even though they were not specifically included in the policy's definition of a Nursing Home. This increased the number of claims we paid and caused us to raise premiums, but we believe we did the right thing for our policyholders by covering these facilities. When you review another company's rate increase history, be sure to ask whether they are also paying benefits for Assisted Living Facilities under their older policies.

## Questions Related to Your Income

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How will you pay each year's premium?

☐ My Income      ☐ 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%? (This does not mean your premiums will necessarily be increased by 20%. We merely want to alert you to the fact that your coverage may cost more in the future should an increase of any amount be required.)*

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 Saving/Investments    ☐ From My Family Will Pay

*The national average annual cost of care in 2000 was more than \$46,000, but this figure varies across the country. In ten years, the national average annual cost would be about \$74,900 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)

☐ Personal Income    ☐ Savings    ☐ Family    ☐ Other

## Questions Related to Your Savings and Investments

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

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

How do you expect your assets to change over the next 10 years? (check one)

☐ Stay about the Same      ☐ Increase      ☐ Decrease

*If you are buying this policy to protect your assets and your total assets are less than \$30,000, you may wish to consider other options for financing your Long Term Care.*

## Disclosure Statement

### Please Check One

- ☐ The answers to the questions above describe my financial situation; **OR**  
☐ I choose not to complete this information.

### Please Check Box

- ☐ 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.**

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I have explained to the applicant the importance of completing this information. I have discussed the ability of the applicant, given the Company's Suitability Guidelines, to pay the premiums of the policy applied for and have given the applicant "The Things You Should Know When Buying Long Term Care Insurance" form. Also, if this policy is intended to replace existing coverage, I have completed a Replacement Form and the Long Term Care Comparison Form.

Agent Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

**NOTE TO AGENT: ONLY COMPLETE THE FOLLOWING SECTION IF THE APPLICANT DOES NOT MEET OUR SUITABILITY GUIDELINES.**

My agent has advised me that this policy does not appear 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.