

GLOSSARY

Partnership Qualified	Protects additional assets from spend-down requirements under your state's Medicaid program if assistance under this program is ever needed and you qualify.
Tax Qualified	This policy qualifies under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
Underwriting Class	Based on an applicants health usually stated as "preferred-lowest premium cost" standard, and some policies have substandard rates that are 25% to 50% higher
Facility Daily Benefit	Daily benefit for Skilled Nursing Facilities (SNF) or Assisted Living Facilities (ALF)
Facility Benefit Period	Usually stated in years or days
Home Care Daily Benefit	Daily benefit for home care (may be stated as 50%,75%or100% of Facility daily benefit)
Home Care Benefit Period	Usually is pooled or combined with facility benefit period--example: care may be received at home or in a facility until the benefit pool is exhausted
Benefit Pool	Maximum total benefit=# of years times 365 days times daily benefit or # of months times monthly benefit
Inflation Protection Options	No inflation -benefit level stays the same through the life of the policy Guaranteed Purchase Option (GPO)/Future Purchase Option (FPO) insured is offered the right to buy additional coverage every 1, 2, or 3 years with no underwriting as long as they are not on claim within past year 5% Simple Inflation - benefit is increased each year by 5% of original benefit amount CPI Compound inflation - benefit is increased each year by change in prior years Consumer Price Index 3% Compound Inflation -Benefit is increased each year by 3% of the prior years benefit amount 5% Compound Inflation -Benefit is increased each year by 5% of the prior years benefit amount
Facility Elimination Period	Number of days or dates of service for which insured is responsible before benefits begin Some policies will have a separate elimination period for home care
Waiver of Home care (HHC) Elimination Period	rider starts covered home and community care coverage immediately for qualified care Days for which home care is received count towards the one time facility elimination period
Nonforfeiture	Rider provides reduced paid-up benefits equal to the total of all the premiums paid if the policy lapses after 3 years for any reason at an amount that is equivalent to no less than 30 days
Contingent Nonforfeiture	Automatically included in many policies-provides reduced paid-up benefits equal to the total of all the premiums paid if premiums are increased by a certain percentage based on age at policy issue. May be elected within 120 days of lapse after due date of the premium increase
Restoration of Benefits	is a rider restoring benefits previously used if the insured requires no care for 180 days or more
Survivorship	Converts the policy of a surviving spouse to paid-up status at the death of a co-insured spouse if the policy has been in force for 10 years and no claims have been paid
Benefit Type	Benefits may be paid on a monthly rather than a daily basis up to 30 time the daily benefit
Marital Discount	discount if both spouses purchase coverage. Some policies offer a lower discount if only one spouse purchases coverage
Group Discount	Varies from 5% to 15% depending upon the insurance carrier
Payment Option	10 years -policy is paid up after 10 years; Paid up at 65 - policy is paid up at age 65 Reduced pay at 65 -premium is reduced 50% at age 65 Double pay first year with reduced renewal premiums
Modal Factor	at insured's choice may pay on an annual, semi-annual, quarterly or monthly basis

Note: above definitions and available options may vary by insurance carrier