

The "Life, Annuities & Long-Term Care Shopper's Guide" provides comprehensive insights into life insurance, annuities, and long-term care insurance, emphasizing their importance for financial protection and planning. Life insurance is essential for families with dependents, ensuring beneficiaries receive tax-free proceeds, thus avoiding asset liquidation for debts. The guide details various life insurance types, including term, whole, universal, indexed universal, and variable life insurance, each with unique features regarding coverage duration, premium structures, and cash value accumulation. Key provisions include the incontestability provision, which allows insurers to void contracts for material misstatements within two years, and the misstatement of age provision, which adjusts benefits based on the insured's correct age. The suicide provision limits benefits to premiums paid if death occurs within the first two years. Policyholders can choose settlement options upon death, such as lump-sum payments or annuity installments, and a "free-look" provision allows a 10-day review period for potential cancellation. Cash surrender value is available upon policy cancellation, with nonforfeiture options like reduced paid-up life and extended term insurance. Dividends may be paid to participating policyholders, and a grace period of at least 30 days for premium payments is standard, with automatic premium loans available to maintain coverage. Policy riders, such as the waiver of premium and accidental death benefit riders, offer additional benefits under specific circumstances. It is advised to clearly name beneficiaries to avoid probate delays and tax implications, ensuring they are informed about the policy details and claims process, which requires notifying the insurer and submitting a certified death certificate.

The "Long-Term Care Shopper's Guide" outlines the application process for life insurance, emphasizing the importance of selecting a reputable company, possibly engaging an agent, and providing accurate personal and medical information. The application serves as evidence of insurability, and temporary coverage is granted upon receipt of the application and initial premium until an underwriting decision is made. Underwriting assesses the premium based on the applicant's mortality class, influenced by age, sex, medical history, and occupation. If rated substandard, applicants may face higher premiums but can request a review if their health improves. The guide

also discusses viatical settlements, allowing policyholders to sell their life insurance for immediate cash, with confidentiality requirements and a 15-day review period post-settlement for sellers to reconsider. However, selling a policy may lead to loss of insurance protection and potential tax implications, making alternatives like cash value borrowing advisable.

Annuities are defined as financial contracts where an insurance company provides regular income payments in exchange for premiums, primarily for retirement income. They differ from life and health insurance and are not intended for short-term goals. Premiums can be paid as a lump sum or in installments, with payment commencement depending on whether the annuity is immediate or deferred. Fixed annuities guarantee a minimum interest rate, while indexed annuities link interest to an external index, offering potential for higher returns. Variable annuities allow investment in various options, with returns dependent on market performance. Payout options include life only, period certain, life with period certain, and joint and last survivor, each with distinct benefits and risks. Annuity earnings are taxed as ordinary income, impacting the overall tax burden during retirement. The guide stresses the importance of consulting financial advisers to tailor annuity plans to individual needs, highlighting tax-deferred accumulation of interest earnings and the implications of early withdrawals.

Long-term care insurance covers health or personal care needs when individuals can no longer perform daily activities independently, providing financial stability and asset protection, particularly for those aged 50 to 60. Policies vary widely, with benefits contingent on specific criteria, such as cognitive limitations or inability to perform Activities of Daily Living (ADLs). The elimination period determines when benefits begin, with shorter periods resulting in higher premiums. Daily benefit amounts can vary, and policies may pay based on actual expenses or as an indemnity. Tax-qualified long-term care plans offer favorable tax treatment, allowing for potential deductions on premiums. Policies sold after January 1, 1997, must disclose their tax status, with non-tax-qualified plans not allowing premium deductions. Hybrid plans may qualify as long-term care policies if they include

specific benefits, often requiring a single premium payment. Optional provisions, such as inflation protection, can enhance coverage but may increase costs. Exclusions include pre-existing conditions and care by family members, with coverage locations including nursing facilities, home health care, and adult day care. A CARE assessment is required before nursing facility admission, and underwriting is based on health history, with a six-month waiting period for pre-existing conditions. The Long-Term Care Partnership program protects assets if insurance benefits are exhausted, allowing for Medicaid qualification without depleting assets. Policies must offer a "free look" period of at least 30 days and are guaranteed renewable, although premiums may increase for all policyholders.

When shopping for long-term care insurance, it is advised to compare multiple policies, understand all terms, and ensure truthful application completion. Resources for assistance include the Senior Health Insurance Counseling for Kansas (SHICK) and the Kansas Department for Aging and Disability Services (KDADS), which provide support services and information for seniors. Additionally, KFMC offers independent medical review and monitoring services for Medicare payments, advocating for patients regarding hospital stays and treatments at no cost to beneficiaries. For further information or assistance regarding long-term care, individuals can contact the Kansas Department of Insurance, led by Commissioner Vicki Schmidt.