



## LIFESTYLE PROTECTION<sup>sm</sup> LONG-TERM CARE INSURANCE

### Fact Sheet

**Purpose of Plan:** This plan is designed to provide financial assistance to you for chronic illnesses or disabilities caused by cognitive impairment or the loss of activities of daily living (ADLs): eating, dressing, bathing, transferring and walking, toileting and maintaining continence.

**Eligibility:** If you are a member of the California Judges Association, active or retired, this plan is available to you and your family: spouse, domestic partner, children, siblings, parents, grandparents and in-laws. You do not have to participate in the plan in order for your family members to be eligible.

**Premiums:** The premium is based on the insured's age at time of issue and does not increase as you age. See the outline of coverage for the circumstances regarding possible rate increases (pages O-8, Right to Change Premiums"). Premiums are paid quarterly and are collected from your bank account on or about January 5<sup>th</sup>, April 5<sup>th</sup>, July 5<sup>th</sup>, and October 5<sup>th</sup>. There are no provisions for individual billing.

**Coverage:** Coverage is guaranteed renewable for life provided you pay your premium due on time.

**Carrier:** *UNUM Life Insurance Company of America* is fully insuring this plan. UNUM is the nation's largest and oldest disability underwriter and is rated **A** (Excellent) by A.M. Best's, **A** (Strong) by Fitch & Co., **A** (Strong) by Standard & Poors, and **A2** (Strong) by Moody's as of July 2019.

#### **Monthly Benefits:**

*Long-Term Care Facility Benefit (Nursing Home)* — You can select a monthly benefit maximum ranging from **\$3000 to \$6000** (in increments of \$1000).

*Assisted Living Facility Benefit* — The plan pays a benefit equal to 60% of the monthly Nursing Home benefit for care received in an Assisted Living Facility.

*Home Care Option* — This optional benefit pays 50% of the LTC facility benefit. This option pays for care provided by professionals or informal caregivers (even family or friends). This option can be selected anytime within three years of the original effective date on a guaranteed issue basis. The cost of this increased coverage is based on the age at time of increase (attained age).

**Lifetime Maximum:** This is the maximum amount of total benefit UNUM will pay to an individual covered at the time of disability, no matter the duration of disability. There are three options to choose from:

- 1) A lifetime maximum of 36 times the monthly benefit which provides 3 years of nursing home coverage or 6 years of home care.
- 2) A lifetime maximum of 60 times the monthly benefit which provides 5 years of nursing home coverage or 10 years of home care.
- 3) An unlimited lifetime maximum, whether or not the individual is cared for in a facility or in a home.

**Elimination Period:** After 60 days of continuous disability, UNUM will begin paying the benefit. The 60-day elimination period applies to the first disability period only and will not apply to subsequent periods of disability.

**Benefit Trigger:** The inability to perform 2 or more activities of daily living (ADLs) or cognitive impairment will begin the claims process. Sixty days after the loss of ADLs, benefits will be payable according to the level of care received (nursing home, assisted living facility or home care).

**Inflation Protection Option:** With this option, an increase equal to 5% of your original benefit will be added to the current monthly benefit, annually on January 1. Both your long-term care facility and home care monthly benefits will increase automatically. At the same time, an increase of 5% will be added to the current lifetime maximum benefit.

Both your monthly benefit and lifetime maximum benefit will increase with inflation protection.

**Medical Qualifications:** Individual medical underwriting is required for all applicants. Medical underwriting consists of a medical questionnaire, and attending physician's statement, and, if age 65 or older, a face to face assessment\*. Individuals will either be accepted or rejected based on their medical history. There will be no riders or ratings associated with this policy.

**Exclusions:** This plan will not pay benefits for losses caused by war, suicide attempts or self-destruction, committing or attempting to commit a felony, alcoholism or substance abuse, care outside the United States, or losses caused by psychological or psychiatric conditions.

*\*Face to Face Assessment – A face to face assessment is an in-home interview conducted by a health professional trained to ask pertinent questions of an applicant's medical history and to evaluate both physical and mental functioning. The assessment is required for all applicants age 65 and older but may also be ordered on younger individuals. The assessment process will take approximately 90 minutes to complete.*

***This outline of coverage briefly describes the plan available and is not a contract. A complete description will be found in the policy certificate.***

*For further information, contact:*

Howard L. Barto, CLU (800) 548-2671 Ext 2631 or (925) 277-2631 [hlb@dwassociates.com](mailto:hlb@dwassociates.com)

or

CJA Insurance Administrators, (916) 239-4068 [insurance@caljudges.org](mailto:insurance@caljudges.org)

(revised July 2019)



CALIFORNIA JUDGES ASSOCIATION  
*The Voice of the Judiciary*

CJA Insurance Administrators • 2520 Venture Oaks Way Suite 150 • Sacramento, CA 95833

Phone: (916) 239-4068 • Fax: (916) 924-7323



## LONG TERM CARE INSURANCE PROPOSAL REQUEST

In order to receive an accurate proposal for long-term care insurance, please complete this questionnaire to the best of your knowledge. **Please Print Legibly.**

<b>Member's</b>	<b>Spouse/Relative/Partner's</b>
Name (M) _____	Name (S) _____
DOB _____ Height _____ Weight _____	DOB _____ Height _____ Weight _____
Home Address: Street _____	
City _____ State _____	Zip _____ Email _____
Daytime telephone (    ) _____	Evening telephone (    ) _____

If not a CJA member, how are you related to a member of CJA? \_\_\_\_\_  
(CJA member need not apply for family members to be eligible.)

If you answer **Yes** to any of the following questions, **circle the condition** for which your **Yes** answer applies.

1. Have you ever:

	(M)	(S/R/P)
Had or been treated by a doctor or consulted with a health advisor for:		
a. High blood pressure, heart murmur, chest pain, palpitations, heart attack, stroke, or other cardiovascular disease?	Y-N	Y-N
b. Kidney disorder or other disorder of the genitourinary tract?	Y-N	Y-N
c. Diabetes, thyroid disorder other endocrine gland disorder?	Y-N	Y-N
d. Ulcers or disorders of the pancreas, liver or intestines?	Y- N	Y-N
e. Cancer, tumors, degenerative muscle disease, arthritis, disorders of the bones or joint or disorders of the eyes or ears?	Y-N	Y-N
f. Disorders of the blood, lymph glands or respiratory system?	Y-N	Y-N
g. A mental, nervous system or brain disorder; Parkinson's disease; Alzheimer's disease; anxiety or depression; alcoholism or other "drug addiction" or been advised to seek counseling for alcoholism or drug use?	Y-N	Y-N
h. An immune deficiency disorder, AIDS or the AIDS-related Complex?	Y-N	Y-N
2. Have you ever consulted for any reason a doctor, health professional or mental health advisor within the last five years?	Y-N	Y-N
3. Have you ever had or been advised to have medical care, surgery, an electrocardiogram, x-ray, blood test or other special diagnostic test?	Y-N	Y-N
4. Do you need:		
a. Assistance or supervision of any kind to perform everyday activities (bathing, continence, dressing, feeding, toileting, transferring or walking)?	Y-N	Y-N
b. Any special appliance (walker, cane, catheter, oxygen tank, etc.)?	Y-N	Y-N
5. Are you taking prescription or nonprescription medication for any reason?	Y-N	Y-N
6. Do you currently have long-term care insurance that this will replace?	Y-N	Y-N

**TURN FORM OVER FOR FURTHER INSTRUCTIONS**



## CJA'S Long-Term Care Plan is "Tax Qualified"

CJA members receive unique and unduplicatable benefits through the CJA sponsored Long-Term Care Insurance Plan. Members not only are able to enjoy the advantages of the liberal benefit trigger; i.e. the inability to perform 2 of 7 *Activities of Daily Living*, the "disability model" pay-out procedure, and the acceptability of family members, friends, or any other "informal" caregivers providing services, but members also are able to benefit from the income tax relief provided for long-term care insurance plans included in the Federal Government's 1996 tax-reform legislation.

Based on the interpretation by UNUM Life Insurance Company of America of Treasury Department Notice 97-31, CJA's sponsored Long-Term Care Insurance Group Plan is "grandfathered" under a special provision of the Health Insurance Portability & Accountability Act (HIPAA) and, therefore, is deemed to be a "Tax Qualified" long-term care insurance plan for income tax purposes. Furthermore, since CJA's group plan was in effect prior to December 31, 1996, any subsequent insured persons, even though they enroll after December 31, 1996, will still enjoy the income tax benefits accorded the CJA plan.

What are the income tax benefits of the CJA "Tax Qualified" Long-Term Care Insurance Plan? It depends on whether or not you are self-employed.

**If you are self-employed**, or have self-employment income, **the income tax benefits are significant**. HIPAA clarified the issue of the characterization of long-term care insurance premiums and determined that LTC premiums will be afforded the same income tax benefits as medical insurance premiums but subject to dollar limits by age groups. This means that LTC premiums paid by self-employed persons will be income tax deductible subject to premium limits in the following manner:

<u>Calendar Year</u>	<u>Deductible % of LTC Premium Limit*</u>
2014 & thereafter	100%

\*See LTC Premium Limits listed on the other side.

**If you are not self-employed**, or do not have self-employment income, then the income tax benefits for premiums paid for a “Tax Qualified” long-term care insurance plan are treated differently. **The LTC premiums are characterized as “Unreimbursed Medical Expenses”** (reported as “itemized medical costs” on Schedule A of IRS Form 1040), and are income tax deductible to the extent they exceed 7.5% of your Adjusted Gross Income. However, the amount of the premium that you can count toward this income tax deduction is subject to certain limitations according to your attained age at the end each taxable year:

<u>Attained Age</u>	<u>LTC Premium Limit</u>
40 or less	\$ 370
41 - 50	\$ 700
51 - 60	\$1,400
61 - 70	\$3,720
71 or older	\$4,660

Even though the summary of the income tax treatment of CJA’s Long-Term Care Plan is based on “good authority”, we encourage you to contact your own tax counsel to verify the income tax benefits for your specific situation.

The determination that CJA’s Long-Term Care Insurance Plan is “Tax Qualified” is indeed an unprecedented benefit opportunity for CJA members and their families. Every other “Tax Qualified” plan, including the CALPers plan, has more restrictive benefit triggers and pay-out provisions than the CJA plan.

**Howard L. Barto, CLU**  
3150 Crow Canyon Place, Ste. 200  
San Ramon, CA 94583  
(800) 548-2671, Ext. 2631



CALIFORNIA JUDGES ASSOCIATION  
*The Voice of the Judiciary*

## AUTHORIZATION AGREEMENT FOR ACH BANK DEBITS

NAME (S) \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

Please check all that apply:

- Life Insurance / Long-Term Care Policies:** I (we) hereby authorize the California Judges Association, hereinafter called Company, to initiate debit entries at **quarterly (3-month) intervals** to my (our) bank account indicated and the depository named below on the voided check, hereinafter called Depository, to debit the same to such account to pay premiums for the insurance plan(s) in which I (we) am (are) enrolled.
- Disability Insurance Policies:** I (we) hereby authorize the California Judges Association, hereinafter called Company, to initiate debit entries at **monthly intervals** to my (our) bank account indicated and the depository named below on the voided check, hereinafter called Depository, to debit the same to such account to pay premiums for the insurance plan(s) in which I (we) am (are) enrolled.

SELECT ONE:                    \_\_\_\_\_ Checking Account                    \_\_\_\_\_ Savings Account

This authority is to remain in effect until Company has received written notification from me (or either of us) of its termination in such time and such manner as to afford Company and Depository a reasonable opportunity to act on it.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**PLEASE ATTACH A VOIDED CHECK HERE**

**Please return to:**

- CJA Insurance Administrators ▪
- 2520 Venture Oaks Way, Suite 150 ▪ Sacramento, CA 95833 ▪
- Phone 866-432-1252 / Fax 916-924-7323 ▪ [insurance@caljudges.org](mailto:insurance@caljudges.org) ▪