



DISCLOSURE TO CALIFORNIA RESIDENTS AGE 65 OR OLDER

The sale or liquidation of any stock, bond, IRA, certificate of deposit, annuity, or other asset to fund the purchase of an annuity or life insurance product may have tax consequences, early withdrawal penalties, or other costs or penalties.

We recommend that you consult independent legal or financial advice before selling or liquidating any assets to fund the purchase of life or annuity products. An annuity may not be sold to a senior if its purpose is to affect Medi-Cal eligibility.

NOTICE REGARDING STANDARDS FOR MEDI-CAL ELIGIBILITY AND RECOVERY

If you or your spouse are considering purchasing a financial product based on its treatment under the Medi-Cal program, read this important message! You or your spouse do not have to use up all of your savings before applying for Medi-Cal.

RECOVERY

An annuity or life insurance product purchased on or after September 1, 2004 shall be subject to recovery by the state upon the annuitant's or insured's death under the regulations of the Medi-Cal Recovery Program. Income derived from the contract must be used to meet the annuitant's or insured's share of costs and, if the annuitant or insured is married, the income derived from the contract may impact the minimum monthly maintenance needs of the community spouse. An annuity or life insurance policy purchased by a community spouse on or after September 1, 2004, may also be subject to recovery if that spouse is the recipient of past or future Medi-Cal benefits.

UNMARRIED RESIDENT

An unmarried resident may be eligible for Medi-Cal benefits if he or she has less than the resource allowance established annually by the State Department of Health Services in countable resources. The Medi-Cal recipient is allowed to keep from his or her monthly income a personal allowance of the amount established annually plus the amount of any health insurance premiums paid. The remainder of the monthly income is paid to the nursing facility as a monthly share of the cost.

MARRIED RESIDENT

Community Spouse Resource Allowance: If one spouse lives in a nursing facility, and the other spouse does not live in a facility, the Medi-Cal program will pay some or all of the nursing facility costs as long as the couple together does not have more than the allowable amount.

Minimum Monthly Maintenance Needs Allowance: If a spouse is eligible for Medi-Cal payment of nursing facility costs, the spouse living at home is allowed to keep a monthly income of at least his or her individual monthly income or the minimum monthly maintenance needs allowed, whichever is greater.

FAIR HEARINGS AND COURT ORDERS

Under certain circumstances, an at-home spouse can obtain an order from an administrative law judge or court that will allow the at-home spouse to retain additional resources or income. The order may allow the couple to retain more than the allowance in countable resources. The order also may allow the at-home spouse to retain more than the monthly maintenance needs allowance in monthly income.

REAL AND PERSONAL PROPERTY EXEMPTIONS

Many of your assets may already be exempt. Exempt means that the assets are not counted when determining eligibility for Medi-Cal.

See Reverse Side



REAL PROPERTY EXEMPTIONS ONE PRINCIPAL RESIDENCE

One property used as a home is exempt. The home will remain exempt in determining eligibility if the applicant intends to return home someday. The home also continues to be exempt if the applicant's spouse or dependent continues to live in it. Money received from the sale of a home can be exempt for up to six months if the money is going to be used for the purchase of another home.

REAL ESTATE USED IN BUSINESS OR TRADE

Real estate used in a trade or business is exempt regardless of its equity value and whether it produces income.

PERSONAL PROPERTY USED IN A TRADE OR BUSINESS

One motor vehicle. Irrevocable burial trusts or irrevocable prepaid burial contracts. There may be other assets that may be exempt.

This is only a brief description of the Medi-Cal eligibility rules. For more detailed information, you should call your county welfare department. Also, you are advised to contact a legal services program for seniors or an attorney who is not connected with the sale of this product.

I understand that I am entitled to a 30-day cancellation period after receipt of my contract. If I decide to cancel, I am entitled to a refund of the account value or premiums paid, whichever is greater.

I have read the above notice and have received a copy.

Applicant's Signature

Date

Printed Name

Spouse (if applicable)

Legal Representative (if applicable)

Agent's Name