

# Instructions for Policyholder

A payer, such as an insurance company or a viatical settlement provider, must give this form to you for payments made under a long-term care insurance contract or for accelerated death benefits. Payments include those made directly to you (or to the insured) and those made to third parties.

A long-term care insurance contract provides coverage of expenses for long-term care services for an individual who has been certified by a licensed health care practitioner as chronically ill. A life insurance company or viatical settlement provider may pay accelerated death benefits if the insured has been certified by either a physician as terminally ill or by a licensed health care practitioner as chronically ill.

**Long-term care insurance contract.** Generally, amounts received under a qualified long-term care insurance contract are excluded from your income. However, if payments are made on a per diem basis, the amount you may exclude is limited. The per diem exclusion limit must be allocated among all policyholders who own qualified long-term care insurance contracts for the same insured. See Pub. 525 and Form 8853, and its instructions for more information.

**Per diem basis.** This means the payments were made on any periodic basis without regard to the actual expenses incurred during the period to which the payments relate.

**Accelerated death benefits.** Amounts paid as accelerated death benefits are fully excludable from your income if the insured has been certified by a physician as terminally ill. Accelerated death benefits paid on behalf of individuals who are certified as chronically ill are excludable from income to the same extent they would be if paid under a qualified long-term care insurance contract.

**Policyholder's identification number.** For your protection, this form may show only the last four digits of your SSN, ITIN, or ATIN. However, the issuer has reported your complete identification number to the IRS, and, where applicable, to state and/or local governments.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows the gross benefits paid under a long-term care insurance contract during the year.

**Box 2.** Shows the gross accelerated death benefits paid during the year.

**Box 3.** Shows if the amount in box 1 or 2 was paid on a per diem basis or was reimbursement of actual long-term care expenses. If the insured was terminally ill, this box may not be checked.

**Box 4.** May show if the benefits were from a qualified long-term care insurance contract.

**Box 5.** May show if the insured was certified chronically ill or terminally ill, and the latest date certified.

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>INTEGRATED DATA MANAGEMENT SYSTEMS, INC. DBA IDMS ACCOUNT ABILITY 560 BROADHOLLOW ROAD STE 109 MELVILLE NY 11747-3702</b>  <b>Telephone: 631-249-7744</b>		<b>1</b> Gross long-term care benefits paid <b>\$ 36000.00</b>	OMB No. 1545-1519  <b>2011</b>	<b>Long-Term Care and Accelerated Death Benefits</b>
PAYER'S Federal identification number <b>12-3456789</b>		<b>2</b> Accelerated death benefits paid <b>\$</b>	Form <b>1099-LTC</b>	
POLICYHOLDER'S name, street address, city, state, and ZIP code  <b>JOHN DOE APT 101A 560 ROUTE 110 MELVILLE NY 11747-2114</b>		<b>3</b> <input checked="" type="checkbox"/> Per diem <input type="checkbox"/> Reimbursed amount	INSURED'S social security no. <b>XXX-XX-9493</b>	<b>Copy B For Policyholder</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.
INSURED'S name, street address, city, state, and ZIP code <b>MARY SMITH 124 JERICHO TPK SMITHTOWN NY 11778</b>		<b>4</b> Qualified contract (optional) <input type="checkbox"/>	<b>5</b> (optional) <input checked="" type="checkbox"/> Chronically ill <input type="checkbox"/> Terminally ill Date certified <b>03/24/2011</b>	
Account number (see instructions) <b>889855589</b>				

Form 1099-LTC

(Keep for your records)

Department of the Treasury - Internal Revenue Service

**INTEGRATED DATA MANAGEMENT SYSTEMS, INC.  
DBA IDMS ACCOUNT ABILITY  
560 BROADHOLLOW ROAD STE 109  
MELVILLE NY 11747-3702**

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APT 101A  
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MELVILLE NY 11747-2114**