NOTICE TO ISSUER OF ANNUITY OF STATE'S RIGHT AS A PREFERRED REMAINDER BENEFICIARY DUE TO MEDICAID BENEFITS PROVIDED

DEPARTMENT OF HUMAN SERVICES
MEDICAL SERVICES DIVISION
SFN1186 (9-2006)

Clear Fields

Pursuant to the Deficit Reduction Act of 2005, (Public Law No. 109-171), Medicaid recipients of nursing care level of benefits must name the state as a preferred remainder beneficiary of any annuity owned by the Medicaid recipient or the recipient's spouse, for an amount up to the cost of Medicaid paid.

By virtue of the provision of Medicaid to the individual described below, the State of North Dakota hereby notifies you that the State has a right as a preferred remainder beneficiary of the annuity described below which was issued by you. You must change the remainder beneficiary of the annuity to the North Dakota Department of Human Services for an amount that is at least equal to the cost of Medicaid paid to the individual described below or his or her spouse. The State must be named as a beneficiary in the second position if the annuitant provides you with verification that he or she has a non-institutionalized spouse or a minor or disabled child. The State must be named as the remainder beneficiary in the first position if the spouse or a representative of a minor or disabled child disposes of any such remainder for less than fair market value.

You must also notify the State of North Dakota of any changes in the amount of income or principal being withdrawn from the amount that was being withdrawn from the annuity at the time the annuity was disclosed to the state (date is noted below) or of any sale, assignment or transfer of the annuity. You may disclose information about the States position as remainder beneficiary to others who have a remainder interest in the annuity. The Medicaid applicant or recipient has been notified of the right of the State as a preferred remainder beneficiary of this annuity.

Please provide verification that the annuity names the North Dakota Department of Human Services as the preferred remainder beneficiary of this annuity. Please send this verification, or any beneficiary payments due to the State to:

North Dakota Department of Human Services
Division of Medical Services
600 E. Boulevard Ave, Dept 325
Bismarck, ND 58505

Annuitant		
Annuitant's City	State	Zip Code
Contract Number		
Issuing Company		
Contract Issue Date		
Date on which the annuity was disclosed to the State		