

Long Term Care Insurance

Educational Overview and Plan-at-a-Glance

What is Long Term Care (LTC)?

Long term care is the assistance a person may need with the basic activities of daily living – eating, bathing, dressing, transferring, toileting, and continence. It can also include supervision needed to protect a person's health and safety. The need for long term care may develop from things such as an accident, illness, stroke, advanced age or other chronic condition such as Alzheimer's, dementia or Parkinson's disease. Long term care consists mainly of personal care rather than medical care, which is typically covered by a health plan.

Long Term Care can be provided...

- In your own home
- At an adult day care center
- In an assisted living facility or nursing home



Long Term Care vs. Medical Insurance

FOCUS ON CARE



Long Term Care Insurance

Typically covers:

- Custodial care when recovery is unlikely
- Home care and assistance with daily tasks such as eating, bathing and dressing
- Visits to an adult day care center to provide respite care for caregivers

Long Term Care vs. Medical Insurance (cont'd)

FOCUS ON CURE



Medical Insurance

Typically covers:

- Doctor visits, tests and initial diagnosis
- Specialty visits, labs, hospitalization
- Skilled Nursing, Rehab, Occupational Therapy, Physical Therapy
- Medications

It's important to plan ahead

Will you need long term care?

Your chances may be more likely than you think.

- About 6 million Americans age 65+ require help with at least two activities of daily living for ninety days or more, or have a severe cognitive impairment.¹

¹ Health Affairs, Financing Long-Term Services and Supports: Options Reflect Trade-Offs For Older Americans and Federal Spending, November 2015

Most people aren't planning ahead



- More than half of Americans say they need LTC insurance, but only 14% have a policy....²



- ... and only 1/3 of Americans over 40 have set aside money to plan for LTC needs ³

² LIMRA and Life Happens. 2017 Insurance Barometer Study. Windsor, CT.

³ Associated Press-NORC Center for Public Affairs Research. Long-Term Care in America: Expectations and Preferences for Care and Caregiving. Chicago, IL. 2016

Planning for long term care might be easier than you think

You protect your home, your car and your health. But what about your savings and retirement? Many of us strive for financial security and plan for a comfortable retirement. But what if you could no longer take care of yourself?

Relying on a relative or a friend for caregiving is certainly an option — especially for short periods of time. But if you needed personal care for weeks, months, or even years, it could be expensive for you and your family.

Planning for long term care might be easier than you think (cont'd)

Your financial plan was likely designed to help you save for years of retirement.

To help protect your savings, consider how you might pay for long term care services should the need arise for you or your spouse/partner.



How much could long term care cost?

Type of Care	National Median Rates ⁴	Average Annual Costs ⁴
Home Care	\$22 (per hour)	\$45,760 based on 40 hrs/week
Assisted Living Facility	\$3,750 (monthly)	\$45,000
Nursing Facility (private room)	\$267 (daily)	\$97,455

⁴ Genworth Cost of Care Survey 2017.

Paying for Long Term Care

LTC services are not typically covered by medical insurance plans.

Medicare may help pay for limited LTC services under certain circumstances, but often doesn't meet long term care needs. Medicaid has specific rules and income requirements that can require recipients to spend down their savings and assets to meet state poverty guidelines.

Some people rely on care from family and friends, but it can impact the financial, physical and emotional health of entire families.

How much coverage is enough? It depends.

These factors can help you determine the right of coverage for your unique situation.

Your gender



On average, women are more likely to require long term care services than men (at age 65).⁵

Your family health history



You may be at an increased risk for a chronic condition such as Alzheimer's disease, cancer, diabetes or stroke if a close family member has had one or more of these conditions.



How much coverage is enough?

It depends.

(cont'd)

These factors can help you determine the right of coverage for your unique situation.

Your budget



Select a plan design with a premium that fits within your current budget. It's a good idea to apply for coverage now while you are younger and likely healthier.

Where you plan to retire



The cost of long term care services can vary greatly depending on where you live.



How much coverage is enough?

It depends.

(cont'd)

These factors can help you determine the right of coverage for your unique situation.

Where you wish to receive care, if needed



Long term care costs vary based on where services are received (at home, in the community, at an assisted living facility, or at a nursing home).



When should you buy LTC insurance?

Waiting to purchase a long term care insurance policy could actually increase the total amount of premium you would pay by thousands of dollars.

Age at Purchase	Annual Premium*	Paid to Age 85	Cost of Waiting
30	\$351	\$19,305	N/A
40	\$482	\$21,690	\$2,385
50	\$698	\$24,430	\$2,740
60	\$1,162	\$29,050	\$4,620

* The annual premium shown is based on a Benefit Bank of \$100,000 and a \$2,000 Monthly Benefit, for a single person.

Premiums are for illustrative purposes only and may vary based on state and applicable discounts. Illustration above assumes policyholder begins a claim at age 85.

About LifeSecure

- LifeSecure Insurance Company was founded in 2006 as a Michigan-based insurance company, which quickly expanded to a national presence. LifeSecure is dedicated to providing a different kind of insurance experience to help create a better future for our customers.
- We are proud to offer a long term care insurance product that continues our tradition of simplicity and flexibility. Our straightforward Benefit Bank design and optional benefits help individuals and families find the right amount of coverage to meet their own personal needs!

Plan-at-a-Glance

Long Term Care Insurance

Standard Features

Issue Ages: 18 through 69

Plan Choices:

\$50,000 Benefit Bank*	\$100,000 Benefit Bank	\$200,000 Benefit Bank	\$300,000 Benefit Bank
\$1,000 Monthly Benefit (or, \$300 Cash Alternative)	\$2,000 Monthly Benefit (or, \$600 Cash Alternative)	\$4,000 Monthly Benefit (or, \$1,200 Cash Alternative)	\$6,000 Monthly Benefit (or, \$1,800 Cash Alternative)

* In WI: The \$50,000 Benefit Bank is not available.

Benefit Bank: The Benefit Bank represents the lifetime dollar benefit amount available to you. Your Benefit Bank balance is reduced by any benefits paid to you or on your behalf.

Standard Features (cont'd)

- **Monthly Benefit Payout Structure:**

When you become eligible for benefits, you can choose between the payout options below (in accordance with your Plan of Care):

- OPTION 1: Receive **reimbursement for qualified long term care services**, up to your **Monthly Benefit for Covered Expenses**. Covered expenses include care at home through a home care agency or independent provider, in an assisted living facility, in an adult day care center, or in a nursing home. Hospice care is also covered.
- OPTION 2: Elect to receive a **cash payout**, equal to your **Cash Alternative Monthly Benefit** amount. The cash benefits can be used to pay an informal caregiver, such as a family member or friend — or used for other purposes unique to your care situation. Note: The choice between the two options can be made on a monthly basis. Any un-used Monthly Benefit dollars will remain in your Benefit Bank and extend the life of your policy.

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Standard Features (cont'd)

- **Home Modification and Supplemental Products Benefit**

This benefit provides coverage for services and products that are required for you to live more securely and independently at home (*in accordance with your Plan of Care*). These expenses are reimbursable up to 1X your Monthly Benefit for Covered Expenses over the life of your policy. Payouts made under this benefit will reduce your Benefit Bank amount.

Examples of services and products that are eligible for reimbursement include:

- Home Modifications
- Assistive Devices or Technology
- Durable Medical Equipment

The Home Modification and Supplemental Products Benefit can be received in addition to other reimbursable Covered Expenses or the Cash Alternative in a given month.

Benefit Eligibility

- You are eligible for benefits if you have been certified as Chronically Ill within the last 12 months by a Licensed Health Care Practitioner. This means that you are unable to perform at least two Activities of Daily Living (bathing, dressing, toileting, transferring, continence and eating) for a period that is expected to last at least 90 days, or you require Substantial Supervision to protect your health and safety due to a Severe Cognitive Impairment.

Benefit Wait Period

- **90 Calendar Days** (once you are verified as Chronically III), unless your condition is triggered suddenly by an Accidental Injury or Stroke, in which case the Benefit Wait Period will be completely waived (**0 days**).

Waiver of Premium

- Your premiums are waived beginning on the first day you start receiving benefits. As long as you continue to receive benefits, additional premiums will not be required.

Spouse Discount

- If you and your spouse/partner both apply for coverage at the same time, a 10% premium discount will apply to each policy.

Optional Benefit Riders

- **Compound Inflation Benefit (1%, 3% or 5%)**

If you elect this optional benefit, we will automatically increase your current Monthly Benefit and your remaining Benefit Bank by 1%, 3% or 5% each year. The increase will be effective on each anniversary of your policy and rider, even while you are receiving benefits.

- **Nonforfeiture Benefit**

If this rider is in force for at least three full years, and your policy then terminates due to non-payment of premium, this optional benefit allows you to retain a reduced paid-up amount of coverage. You will have a revised Benefit Bank equal to the greater of: (a) 100% of the sum of all premiums paid by you; or (b) one times your Monthly Benefit.

Policy Limitations and Exclusions

This Policy will not pay benefits for care, treatment, services or charges: for a loss that occurs while this Policy is not in force; or for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician); or due to declared or undeclared war or act of war; or due to participation in a felony, riot or insurrection or involvement in an illegal occupation; or due to suicide, attempted suicide or intentionally self-inflicted injury; or that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount; or that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law; or provided outside the United States, Canada or their territories or possessions; or for which no charge is made in the absence of insurance, except as provided under the Cash Alternative Monthly Benefit; or provided by an Immediate Family member (except as provided under the Cash Alternative Monthly Benefit), unless: he or she is a regular employee of an organization which is providing the care, treatment or service; he or she receives no compensation other than the normal compensation for employees in his or her job category; and the organization receives the payment for the care, treatment, service or charge.

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- Information in this presentation appears in the following LifeSecure long term care insurance advertising materials: ICC17-LS-LTC-0307; LS-LTC-0307 ST; ICC17-LS-LTC-0300; LS-LTC-0300 ST
 - Policy Form Series: ICC17-LS-LTC-0006; LS-LTC-0006