

# Flex

Long Term Care Insurance



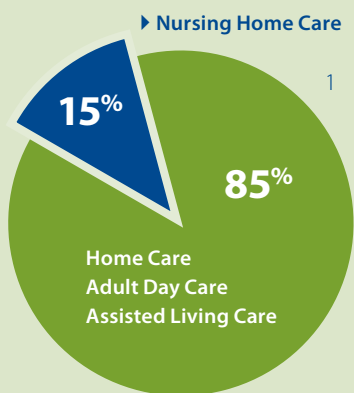
*Underwritten by*

**MEDAmerica**

An Excellus Company



# Protect Your Independence and Financial Security



## Where are Long Term Care Services Provided?

The majority of long term care services are provided in the individual's home, an adult day care center, or an assisted living facility.

## What are the Chances of Needing Long Term Care?

Research indicates that **one in two** Americans will need long term care services.<sup>1</sup>

## How Much Does Long Term Care Cost?

Long term care services are very expensive, and the need for care may last for several years or longer. Home health care varies widely in cost depending on the type and frequency of care received. Assisted living care averages \$36,096 per year and exceeds \$54,000 per year in some facilities. Nursing home care averages over \$68,000 for a semi-private room, over \$76,000 for a private room, and easily exceeds \$100,000 per year in some parts of the country.<sup>2</sup> Costs are continually increasing due to inflation.

## People of All Ages Need Long Term Care Services.

Long term care is not just for those who are older. Younger people need these services due to illnesses, physical disabilities, and injuries from automobile and sporting accidents.

In fact, more than 40% of those receiving long term care services are under age 65.<sup>2</sup>

## Who Pays for Long Term Care?

Most long term care expenses are paid with personal or family assets. Neither traditional medical insurance nor Medicare pays for most long term care services, and Medicaid does not pay unless the individual qualifies for welfare assistance.

## Keeping Your Options Open

FlexCare pays for care in a wide variety of settings, including **nursing homes, assisted living facilities, home health care and adult day care**, helping to keep your options open if you need long term care. The policy will help maintain your freedom of choice in determining how and where you receive care. Because of FlexCare's extensive home health care benefits, the coverage can help you remain in the comfort and privacy of your own home.

<sup>1</sup> Phyllis Shelton, Long Term Care, Your Financial Planning Guide, LTCI Publishing, 2007.

<sup>2</sup> National Clearinghouse for Long-Term Care Information, U.S. Dept. of Health and Human Services, September, 2008.

# Removing Barriers to Receiving Care

## Home Health Care

FlexCare pays for both professional and basic services.

**Basic services** include home health aide services, such as helping you perform activities of daily living and homemaker services, such as housekeeping, preparing meals, and doing laundry.

**Professional Services** are beyond the scope of care that can be provided by a basic services provider. They include services from a registered or vocational nurse, physical, respiratory, nutritional or speech therapist.

## Alternative Care and Support Services

If you are benefit eligible, under this provision, FlexCare may pay for benefits not directly noted in your policy.<sup>3</sup> Examples of services that could be considered include, but are not limited to, an **independent caregiver**, medically necessary transportation to and from an adult day care, a **medical alert system** and **home modifications** that will enhance your ability to perform activities of daily living and allow you to remain safely at home.



## Adult Day Care

This benefit pays for care in an adult day care center.



## Worldwide Coverage

FlexCare covers qualified long term care services provided to you **anywhere in the world**.

## CareDirections Family Advice and Advocacy Program®

An added benefit offered to you and your family. This program is staffed by Personal Care Advisors, who are health care professionals whose profession and training include experience or expertise in managing and arranging for long term care services. The CareDirections Family Advice and Advocacy Program provides essential advice and support to help loved ones cope with the stresses of long term care and find the care, services, and support they seek.

## Monthly Assisted Living, Home Health Care and Adult Day Care Benefit

(Additional Premium Required)

This option makes your Assisted Living, Home Health Care and Adult Day Care benefits available on a monthly total rather than a daily basis. Because the charges for home health care services may vary from day to day, this option allows you to maximize the entire benefit as needed during the month.

## 20 Calendar Day Elimination Period for Assisted Living, Home Health Care and Adult Day Care

(Additional Premium Required)

This option allows you to change your elimination period to 20 calendar days for assisted living, home health care and adult day care. This allows you to select a more cost effective elimination period for nursing home benefits, but at the same time, access other policy benefits much sooner.

<sup>3</sup> Benefits must be for qualified long term care services that are medically acceptable, cost effective, and agreed to by both the policyholder and MedAmerica.

# Benefits for Couples



## Discounts

When couples<sup>4</sup> apply together for coverage and are issued coverage, each of them receives a 30% discount. When only one applies or is issued coverage they will receive a 15% discount.

## Shared Waiver

(Additional Premium Required)

Whenever the premium is waived for one insured, FlexCare will also waive the premium for the other insured.<sup>5</sup>

## Survivor Benefit

(Additional Premium Required)

Upon the death of one insured, if both insureds have purchased the rider, and both policies have been in force at least 10 years the surviving insured's premium is waived for the life of the policy.

## Shared Extended Benefit Rider

(Additional Premium Required)

This option allows couples to share an **additional extended pool of benefits** in the case that one or both exhaust their benefits.<sup>6</sup>

Ex: Each insured purchases 1,825 days (5 years) of benefits. They also purchase an additional 730 days (2 years) of benefits that one or both can use if their individual benefits have been exhausted. If one insured dies, the extended pool becomes accessible to the survivor should they exhaust their original benefits, as long as they continue to pay for the rider.

**IMPORTANT:** The shared extended benefit pool also increases if the original pool has an inflation option.

<sup>4</sup> Couples are spouses or domestic partners.

<sup>5</sup> Both insureds must have purchased identical coverage with effective dates within six months of each other, and each policyholder must have paid premium for at least two years.

<sup>6</sup> Both insureds must have purchased identical policies, including identical Extended Benefit Pool amounts, and have the same policy issue date.

# Inflation Protection Options

(Additional Premium Required)

The rising cost of long term care services has become a major concern for many. To help eliminate this concern, FlexCare provides great flexibility by offering a variety of inflation options to help you meet your needs, not only now, but in the future.

**Simple Inflation** – Increases your original maximum daily benefit and maximum lifetime benefit annually by 3% or 5%.

**Compound Inflation** – Increases your maximum daily benefit and current maximum lifetime benefit annually by 3% or 5%.

**Compound Inflation 2x Max** – Increases your maximum daily benefit and current maximum lifetime benefit annually by 5% until the maximum daily benefit equals twice the original amount.

**Guaranteed Purchase Option** – Every two years until age 85 or until you have declined the option two times, you may purchase additional benefits equal to 10% of your current maximum daily benefit.

## NEW Inflation Riders Designed with Premium Savings in Mind\*

**Combination Benefit Increase** – This cutting edge inflation rider increases your current daily maximum benefit and lifetime maximum benefit annually by 5% compound through age 60. From age 61 and through age 74 your benefits increase annually by 5% of your total benefits based on age 60.

**Daily Benefit Increase** – Increases only your maximum daily benefit annually by 5% compound with no maximum.


\* Both of these riders are great **Cost Effective** inflation options!

## Additional Options to Enhance Your FlexCare Policy Benefits

### Extended Benefit Rider

(Additional Premium Required)

Individuals applying for coverage may add an additional pool of benefits to be used if they exhaust their original benefits.

 **NOTE** Individuals purchase the amount of coverage they think meets their needs and add the Extended Benefit Pool, thereby providing a safety net in the event their care needs exceed expectations.

By not applying inflation increases to the Extended Benefit Pool, it is a great way to add coverage in a cost effective manner.

### Restoration of Benefits

Once you have not been benefit eligible for six consecutive months, FlexCare will restore your policy's maximum lifetime benefit amount to the original amount one time only.<sup>7</sup>

### Facilities Only Policy Available

FlexCare offers a Facilities Only Policy when receiving care at home may not be the best place.

<sup>7</sup> As long as the policyholder has not received greater than 180 days of policy paid services.

# How Do You Qualify for Benefits Under the Policy?



To be eligible for benefits provided under the policy, we must receive a plan of care that specifies what care is needed. The care must be needed because you have been certified within the last 12 months by a licensed health care practitioner as:

1. requiring the presence of another person due to the inability to perform at least two Activities of Daily Living (eating, dressing, bathing, transferring, toileting, continence) for a period expected to be at least 90 days. The other person must be present within arm's reach in order to assist, supervise, or prevent injury by physical intervention; or
2. requiring continual supervision, which may include cueing by verbal prompting, gestures, or other demonstrations, by another person to protect the insured person from threats to his or her health or safety due to a severe cognitive impairment.



If you meet the benefit eligibility requirements shown above, you will have met the requirements under federal law to be considered a chronically ill individual. Meeting these requirements are necessary in order for the policy to qualify for favorable tax treatment under federal law.

## No Pre-Existing Condition Limitations

There is no exclusion for pre-existing conditions.

We will not cover expenses for the following under this policy:

1. Substance abuse treatment for alcohol or drug addiction.
2. Treatment for illness or medical condition arising out of war or any act of war, declared or undeclared.
3. Services for intentionally self-inflicted injury.
4. Treatment provided in a government facility except treatment provided to a Medicaid recipient or as otherwise required by state or federal law.
5. Services provided by an unlicensed caregiver who is a member of your immediate family, except for caregiver training benefits included in the benefits section of this policy.
6. Services for which no charge is normally made in the absence of insurance.
7. Expenses for medications, whether prescription or non-prescription.

The exclusion regarding your immediate family will not apply to:

1. A spouse/domestic partner or immediate family member who is a licensed healthcare practitioner or employed by a home health care agency.

We will provide coverage in accordance with the terms of this policy for mental conditions, including Alzheimer's Disease, Parkinson's Disease, and senile dementia.

# Design a Plan That is Right for You!<sup>8</sup>



- Comprehensive     Facilities Only

## 1. Maximum Daily Benefit.

Nursing Home Care.....\$ \_\_\_\_\_ per day (\$50-\$500) multiples of \$10

Assisted Living Facility, Home Health Care and Adult Day Care .....  50%     75%     100%     125%

## 2. Benefit Period (Days).

- 365 Days     730 Days     1,095 Days     1,460 Days     1,825 Days  
 2,190 Days     2,555 Days     2,920 Days     3,650 Days

## 3. Maximum Lifetime Benefit<sup>9</sup> (Pool of Dollars).    \$ \_\_\_\_\_

## 4. Elimination Period<sup>10</sup> (Days).

- 30 Days     60 Days     100 Days     180 Days     365 Days

## 5. Benefit Increase Option.

- 5% Combination Benefit     5% Compound     Daily Benefit Increase  
 5% Simple     5% Compound 2x Max     Guaranteed Purchase Option  
 3% Simple     3% Compound     None

## 6. Standard Benefits.

- Nursing Home Care     Waiver of Premium     Hospice Care  
 Assisted Living Facility Care     Caregiver Training     Bed Reservation  
 Home Health Care     Adult Day Care     Alternative Care and Support Services  
 Personal Care Advisor     Respite Care     Worldwide Coverage

## 7. Optional Benefits.

- 20 Calendar Days Elimination Period for Assisted Living, Home Health Care, and Adult Day Care     Graded Return of Premium  
 Monthly Assisted Living, Home Care and Adult Day Care     Limited Premium Payment Period:  
 Extended Benefit Pool     10 Years     20 Years  
 Return of Premium to Age 80     Restoration of Benefits  
 Nonforfeiture Shortened Benefit Period

## 8. Optional Benefits for Couples.

- Shared Extended Benefit Pool     Shared Waiver of Premium  
 Survivor Benefit

<sup>8</sup> Some options are not available in all states. See Outline of Coverage.

<sup>9</sup> Nursing Home Maximum Daily Benefit times the number of days chosen.

<sup>10</sup> The number of calendar days you must wait before your policy begins to pay benefits.



MedAmerica Insurance  
Company has the strength and  
experience needed to meet  
your long term care needs,  
both today and tomorrow.

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**FlexCare** is a tax-qualified policy designed to meet federal standards and may qualify you for federal and/or state tax benefits. Please consult with your tax advisor for assistance. Coverage as described in the brochure is provided only through the issuance of a policy and is subject to the approval of your application.

This brochure provides a summary of the policy's features and is not intended to cover every aspect of the policy. Please refer to the outline of coverage for additional information. Benefits are subject to the policy's eligibility for the payment of benefits provision; the elimination period, if applicable; the maximum daily benefit; and the maximum lifetime benefit. Your policy will describe your coverage in detail and will be the sole basis of making benefit determination.

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