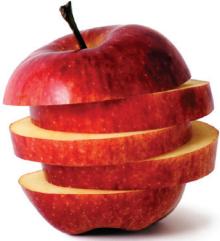


Questions and answers about long term care insurance



Long term care insurance can be one of the best ways to offset long term care expenses and help preserve your clients' assets and financial future. That's because without LTC insurance, prolonged expenses can add up quickly.

National average rates for care²

Home Health Aide: \$22 per hour

Assisted living: about \$4,383 per month (\$52,596 per year)

Nursing home (private room): about \$273 per day (\$99,645 per year)

According to these statistics, a \$250,000 nest egg would last less than three years if they were confined to a nursing home.

Fifteen years ago, long term care wasn't an issue many Americans discussed. Now, it is an issue everyone should not only discuss, but plan for. Why?

With the costs of long term care rising, and with the aging population, the issue is fast becoming one of great importance. Those who assume they will never need care may find themselves unprepared for the financial ramifications: long term care costs can quickly deplete even the strongest financial portfolio. That's why long term care insurance is so important in helping to secure your clients' financial future and independence. This brochure discusses long term care and provides information about the types of long term care insurance¹ available from Unum.

Why do they need long term care insurance?

Long term care (LTC) insurance can provide your clients and their families with care options. Should they suffer a disabling event and require care for an extended period of time, it helps to know who is providing their care and where the care is received. LTC insurance may ease some of the emotional and financial stress experienced during a difficult time.

Doesn't Medicare or Medicaid pay for long term care services?

Many people believe that the government will pay for the cost of their long term care. But this isn't always true.

Generally, Medicare doesn't pay for long term care but pays only for medically necessary skilled nursing care. And, you must meet certain conditions. Medicaid sometimes pays for nursing care for older people with low incomes and limited assets. Who is eligible and what services are covered vary from state to state.³

However, to qualify for Medicaid assistance, a person must first deplete his or her assets to poverty level.

What kind of long term care insurance protection does Unum offer?

Unum long term care insurance helps protect against the catastrophic costs of long term care by paying benefits when an individual is unable to function independently because of a covered disability or chronic illness. The plans also provide benefits in the event of severe cognitive impairment from an illness such as Alzheimer's disease.



Our long term care insurance plans are flexible and offer your clients a variety of care options. Employees can select from plan options available through their employer, and they may have different options to choose where they would like to receive care, whether that be at home or in a nursing home or residential care, assisted living or adult day care facility.

Who can purchase coverage?

With our long term care insurance, eligible employees or their eligible family members between the ages of 18 and 80* may apply for coverage. They may purchase coverage for themselves and/or their family members (where eligible). Depending on the plan they choose, they may be asked to complete a medical application. In some cases, an interview or paramedical examination may be required.

When would your clients be eligible for long term care insurance benefits?

Your clients would be eligible for long term care benefits when they become **chronically ill or disabled**. Being chronically ill or disabled means they are unable to perform at least two Activities of Daily Living (ADLs). A written plan of care from a licensed health care practitioner must be provided, with re-certification every 12 months.

Can your clients receive benefits for long term care services provided by a family member or friend in their home?

Family and friends are often the primary support for those needing long term care. That's why many of our plans include or offer an

additional option which provides a benefit regardless of who provides home care — a relative, immediate family member, friend or licensed professional.

What are the advantages of a Unum LTC insurance policy?

Even if your clients don't need long term care in the immediate future, they may be a caregiver for someone they love. As Unum LTC customers, they have access to experienced claim professionals who can answer their claim questions and review whether long term care facilities and home service agencies are licensed and approved by Unum.

What are the key components of a tax-qualified plan?

Some plans are tax-qualified. A tax-qualified plan must provide coverage for treatment and services for a **chronically ill or disabled** individual, and all treatment and services must be provided in accordance with a plan of care developed by a licensed health care practitioner.

A tax-qualified plan may provide favorable tax treatment. Please consult your tax advisor for details.

Can Unum raise LTC insurance premiums or cancel the policy?

- We will not cancel coverage as long as premiums are paid on time.
- Premiums will not increase as your clients age or if a claim is filed.
- If premium rates are increased, it is done only on a class basis, meaning that a change in rate would apply to everyone in that class. Your clients' rates can never be raised just for their policy alone.⁴

How much does long term care

Chronically ill or disabled is defined as:

- The inability to perform at least two **Activities of Daily Living (ADLs)** without substantial assistance. ADLs include eating, bathing, toileting, transferring, dressing or continence. The loss of an ADL must be expected to last for a period of 90 days or more, as certified by a licensed health care practitioner; or
- Someone who suffers from severe cognitive impairment that requires substantial supervision.

insurance cost?

The cost for LTC insurance varies depending on a variety of factors, including plan features the employer selects, such as benefit amount and length of benefit duration.

Why choose Unum for your long term care insurance?

We are one of the nation's leading disability insurers, and have developed long term care solutions

that can help preserve your clients' assets. With more than a century of insurance experience, we back our products with a commitment to provide optimal service. We realize that each situation is as individual as each person or family. That's why our long term care insurance offers our customers the options and flexibility to build a policy that meets their unique needs.

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- *Most policies have a maximum issue age of 80. Please refer to the group policy for confirmation.
 - 1 Also called comprehensive long term care insurance in California.
 - 2 Long Term Care Group, Inc, "2015 Cost of Care Study" (January 2016).
 - 3 U.S. Dept of Health and Human Services, "LongTermCare.gov: Medicare" (n.d., accessed June 2016).
 - 4 In New Mexico the initial premium shall not be increased during the first three years in which the policy is inforce.

The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations which may affect any benefits payable. See the actual policy or your Unum representative for specific provisions and details of availability.

Underwritten by:
Unum Life Insurance Company of America,
Portland, Maine 04122

In New York, underwritten by:
First Unum Life Insurance Company,
New York, New York 10017

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