

# LTC3<sup>SM</sup> LONG-TERM CARE INSURANCE FEATURES CHART

A FEDERALLY TAX QUALIFIED LONG-TERM CARE INSURANCE POLICY

## ISSUE AGES: AGES 18 – 79

## LIFETIME MAXIMUM OPTIONS: 2, 3, 4, 5, 6, 10 YEARS, OR UNLIMITED

### FACILITY DAILY BENEFIT: \$100 - \$500

**Services Paid at the Facility Daily Benefit:** Claim for these services may be reimbursed up to the Facility Daily Benefit amount.

- NURSING HOME
- ADULT FOSTER CARE OR BOARD AND CARE FACILITY
- ASSISTED LIVING/RESIDENTIAL CARE FACILITY
- BED RESERVATION BENEFIT: Reserves bed in institutional facility if client leaves for any reason.
  - Up to 60 days per calendar year
  - Reduces Lifetime Maximum
- RESPITE CARE BENEFIT (FACILITY OR COMMUNITY-BASED)
  - Up to 21 days per calendar year
  - May be used during Benefit Waiting Period
  - Reduces Lifetime Maximum
  - Not subject to Benefit Waiting Period
- HOSPICE CARE BENEFIT (FACILITY OR HOME-BASED): Not subject to Benefit Waiting Period

### BENEFIT WAITING PERIOD OPTIONS: 30, 60, 90, 120, 180, OR 365 DAYS

**Satisfying the Benefit Waiting Period (BWP):** BWP is cumulative and needs to be met only once per lifetime. The Benefit Waiting Period is counted in Calendar Days. Beginning with the date of being certified as having a Chronic Illness or Disability, each calendar day counts toward meeting the BWP. No services are required.

### INFLATION PROTECTION

**General:** Except where benefit limits have been reached under the Automatic Compound Inflation Benefit – 2X Maximum, all increases and offerings continue even if the client is in benefit status.

#### Options:

- NONE: The benefit will remain constant and will not inflate.
- GUARANTEED PURCHASE OPTION (GPO)\*:
  - Increases to coverage are made every three years.
  - The increase is deemed to be accepted unless written declination is received.
  - Policy Benefits will increase by the amount derived from applying 5% annual compounding for three years to the Client's current Policy Benefits.
  - No evidence of insurability is required.
  - Increases are made even if insured has met the benefit eligibility criteria or is in claim.
- AUTOMATIC SIMPLE INFLATION BENEFIT\*: Each year there will be an automatic increase to Policy Benefits equal to 5% of the original Policy Benefits.
- AUTOMATIC COMPOUND INFLATION BENEFIT– 2X MAXIMUM\*: Each year there will be an automatic increase to Policy Benefits equal to 5% of the current Policy Benefits until Policy Benefits equal twice the original Policy Benefits.
- AUTOMATIC COMPOUND INFLATION BENEFIT– NO MAXIMUM\*: Each year there will be an automatic increase to Policy Benefits equal to 5% of the current Policy Benefits.

### PREMIUM PAYMENT OPTIONS\*\*

- LIFETIME: Premiums are paid until policy lapses, premiums are waived, or benefits are exhausted.
- 10-YEAR PAID-UP: Lifetime premium obligation is paid in 10 annual increments.
  - Client must be between ages of 40 and 75.
- PAID-UP AT AGE 65: Lifetime premium obligation is paid in increments (not less than 10) such that the policy is paid up when the client is age 65.
  - Client may not be older than age 54.
- PREMIUM REDUCTION AT AGE 65: Lifetime premium obligation is paid in increments until age 65 at which time premiums are reduced by 50%.
  - Client may not be older than age 59.

### DISCOUNTS

**Spouse/Partner discount:** 30% discount on each policy if both spouses or Partners are covered under a Prudential Individual Long-Term Care Insurance Policy.

**Spouse/Partner discount:** 15% discount for any spouse or Partner, when the other spouse or Partner is not covered by a Prudential Individual Long-Term Care Insurance Policy.

**Affiliation Program:** 5% discount available to Affiliation groups, and their spouses/Partners. Minimum enrollment is 5 members (includes spouse/Partner). Discount offset by agent commission.

### HOME CARE DAILY BENEFIT: 50%, 75%, 100%, OR 150%<sup>†</sup> OF FACILITY DAILY BENEFIT

**Services Paid at the Home Care Daily Benefit:** Claims for these services may be reimbursable up to the Home Care Daily Benefit amount.

- ADULT DAY CARE
- HOME HEALTH CARE
- HOMEMAKER SERVICES
- PERSONAL CARE SERVICES

#### Home Care Daily Benefit Payment Options

- DAILY BENEFIT: Reimburses Eligible Charges up to the Home Care Daily Benefit for services received on a given day.
- MONTHLY BENEFIT RIDER\*: Reimburses Eligible Charges up to the total of the Home Care Daily Benefit times the number of days in the month for services received during the month.
- CASH ALTERNATIVE: Provides a monthly fixed benefit in cash in lieu of reimbursement for Eligible Charges for Home Care. Benefit is 50% of the reimbursement amount and is included in every LTC3<sup>SM</sup> policy with Daily or Monthly reimbursement payment options.
- CASH BENEFIT RIDER\*: Monthly indemnity payment equal to the Home Care Daily Benefit times the number of days in the month. Benefit eligibility does not require receipt or proof of services and funds may be used as client deems necessary including payment for informal care.
  - Benefits paid under this Rider are not subject to Policy Exclusions based on charges for services or supplies.
  - Since benefits paid under this Rider are made without regard to costs incurred, part of the benefits could be considered taxable income. Clients should consult a tax advisor with respect to the tax implications of owning an LTC3<sup>SM</sup> policy with the Cash Benefit Rider.

### ADDITIONAL FEATURES (PART OF EVERY LTC3<sup>SM</sup> POLICY)

**Home Support Services Benefit:** Equals a lifetime benefit of 50X the Facility Daily Benefit to cover items that may help the client remain at home. May be used during Benefit Waiting Period. Reduces Lifetime Maximum Benefit. Provides funds for such things as:

- ASSISTIVE DEVICES
- CAREGIVER TRAINING
- EMERGENCY MEDICAL RESPONSE SYSTEM
- HOME MODIFICATIONS
- TRANSPORTATION SERVICES
- DURABLE MEDICAL EQUIPMENT NOT COVERED BY MEDICARE

**Alternate Plan of Care Benefit:** Permits case-by-case consideration for care received in either an alternative facility setting or for services designed to help the client remain independent in their home subject to the following criteria:

- Must be part of a Plan of Care
- Must meet requirements and qualifications under federal tax regulations
- Is approved by both the client and Prudential

**Restoration of Benefits:** If a claimant no longer meets the benefit eligibility criteria for at least six months, the Lifetime Maximum will be restored to the level in effect as if the insured had never made a claim. Can only be restored once during a lifetime.

**International Coverage Benefit:** 100% of the Facility Daily Benefit or Home Care Daily Benefit is available for an Out-of-Country Nursing Home or Home Health Care, Homemaker Services or Personal Care when Eligible Charges are incurred outside the United States.

- Subject to a lifetime limit of 365 days
- Subject to the Benefit Waiting Period
- Reduces Lifetime Maximum Benefit

#### Care Management

- BENEFIT AND RESOURCE SERVICE: Provides assistance in claiming and accessing benefits as well as policy and coverage information.
  - May be used during Benefit Waiting Period
  - No limit on use
- PRIVATE CARE CONSULTANT BENEFIT: Provides personal assistance of a Private Care Consultant (not associated with Prudential) to assist the insured and his/her family. Services include care advocacy, counseling, education and private oversight of care quality.
  - Pool equal to 20X the Facility Daily Benefit per calendar year
  - May be used during Benefit Waiting Period
  - Does not reduce Lifetime Maximum Benefit

**Waiver of Premiums:** After Benefit Eligibility Criteria are met and any applicable Benefit Waiting Period is satisfied, premiums will be waived the day following the date BWP is met. Waiver ends on date Chronic Illness or Disability ends.

**Contingent Non-Forfeiture Benefit:** Available when lapse is due to "substantial premium increase." Two contingency options are available:

- Reduced benefit option to keep premium about the same before the rate increase, or
- A lesser Lifetime Maximum with no further premium required.

### OPTIONAL BENEFITS

**Shared Care Benefit\*:** Two spouses or Partners must purchase this rider together and have identical plan designs, including inflation option. If one spouse/Partner exhausts benefits under his/her own policy, he/she can access benefits under the other spouse/Partner's policy. If one spouse/Partner's limits are used up by the other, he/she can purchase an additional 2-year benefit policy on a guaranteed issue basis at attained age. If one spouse/Partner dies before exhausting his/her Lifetime Maximum, the remaining pool of money would be available to the surviving spouse/Partner when they exhaust their own policy limits.

**Return of Premium Upon Death Benefit\*:** In the event of the death of the insured, refund will equal premiums paid less any benefits paid. Must be elected at policy issuance.

**Joint Waiver of Premiums Benefit\*:** If both spouses or Partners have purchased a Prudential Individual Long-Term Care Insurance Policy, and one spouse/Partner's premiums are waived due to eligibility for benefits under his/her own policy, the premiums for the other spouse/Partner will also be waived. Both spouses or Partners do not need to purchase the rider.

**Survivor Waiver of Premiums Benefit\*:** If both spouses or Partners have purchased a Prudential Individual Long-Term Care Insurance Policy, and if one spouse/Partner dies after 10 years of premium payment with no benefits paid under either policy during the first 10 years in force, the survivor's premium will be permanently waived. Both spouses or Partners do not need to purchase the rider.

**Non-forfeiture – Shortened Benefit Period\*:** Available after three years of continuous premium payments. Benefits equal total premium paid less any claims paid or 90X the Facility Daily Benefit, whichever is greater. Must be elected at policy issuance.

\*Optional Benefit available at an additional cost.

\*\*Restrictions apply.

<sup>†</sup>The 150% Home Care Daily Benefit Option can only be selected with a Facility Daily Benefit of \$350 or less.



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## FEATURES CHART

THE PRUDENTIAL INSURANCE  
COMPANY OF AMERICA  
LONG-TERM CARE INSURANCE



### **POLICY EXCLUSIONS: BENEFITS WILL NOT BE PAYABLE IF ANY OF THE FOLLOWING SITUATIONS APPLY.\***

- 1) Illness, treatment or medical conditions arising out of (a) War or an act of war, whether declared or undeclared, while you are insured; or (b) Your participation in a felony, riot or insurrection.
- 2) Treatment provided in a government facility, unless payment of the charge is required by law or services provided by any law or government plan under which you are covered. This does not apply to a state plan under MediCal or to any law or plan when, by law, its benefits are excess to those of any private insurance program or other non-governmental program.
- 3) Charges for services or supplies for which no charge would be made in the absence of insurance.
- 4) Charges for care or treatment provided outside the United States except as described in the International Coverage Benefit.
- 5) Charges for services and supplies furnished and charged for by a close relative other than a licensed professional who provides covered services within the terms of his or her licensure. Close relatives include your spouse, your children, your parents and your siblings.
- 6) Charges in connection with treatment of alcoholism and drug addiction.
- 7) Charges for expenses reimbursable under Medicare or for expenses that would be reimbursable under Medicare but for the application of a deductible or coinsurance amount.
- 8) Benefits under your policy may be reduced if Prudential also pays benefits for Eligible Charges under any other Prudential Individual Long-Term Care Insurance Policy.

\*Policy Exclusions based on charges for services or supplies do not apply to benefits paid under the Cash Benefit Rider.

LTC3<sup>SM</sup> Long-Term Care Insurance is issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102 (800-732-0416). This coverage contains benefits, exclusions, limitations, eligibility requirements and specific terms and provisions under which the insurance coverage may be continued in force or discontinued. The Prudential Insurance Company of America is authorized to conduct business in all U.S. states and the District of Columbia. All insurance policies/options may not be available in your state. Coverage is issued under policy number 113146.

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