

## *About Assurity Life*

Assurity Life Insurance Company's origins are rooted in a century-long legacy of providing long-term security to policyholders that has earned generations of customers' confidence and trust.

Assurity Life serves customers across the nation, offering disability income, critical illness, long-term care and life insurance, annuities and specialty insurance plans through our representatives, worksite distribution and direct mail. Pension and investment management services are available through Pine Lake Advisors Inc., a subsidiary of Assurity Life.

With assets exceeding \$2 billion, Assurity Life has built a reputation for "best in class" service and sound, conservative business practices with a disciplined approach to financial management. Headquartered in Lincoln, Neb., Assurity Life has earned a high rating from A.M. Best Company, the insurance industry's leading independent analyst. For more information about this rating, please visit [www.ambest.com](http://www.ambest.com) or [www.assurity.com](http://www.assurity.com). These ratings refer only to the overall financial status of the company and are not recommendations of the specific policy provisions, rates or practices of the insurance company.

We're proud of our history of integrity, financial accountability...and helping people through difficult times.



**Assurity**<sup>®</sup>

*Life Insurance Company*

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15-170-02191 (3/07)

# Long-Term Care Insurance



**AssurityBalance**<sup>®</sup>



**Assurity**<sup>®</sup>  
*Life Insurance Company*

15-170-02191

*The purpose of this material is  
the solicitation of insurance.*

## ***The best-laid plans...***

If you are like most individuals, you've looked forward to the freedom of retirement. You've set the financial groundwork and have focused on building assets to maintain your standard of living during those years, or share with your heirs.

Unfortunately, the best-laid retirement plans can be derailed when unforeseen circumstances require a stay in a nursing facility or care in the home, and put your carefully nurtured nest egg at risk.

Assurity Life Insurance Company's AssurityBalance<sup>®</sup> Long-Term Care Insurance (LTCI) can help protect you, your loved ones and your assets from the escalating cost of nursing facilities and home health care.

### **What does a stay in a nursing facility and home care cost?**

- \$75,190 – average nursing home facility *national annual* cost for a private room
- \$206 – national average nursing home facility *daily* cost for a private room
- \$19 per hour – national average cost for home health care aide
- \$17 per hour – national average cost for homemaker-companion aide
- \$180,828 – national average cost for a nursing home stay (2.4 years)

MetLife Market Survey of Nursing Home and Home Health Care, September 2006

## **Will you need care?**

**While no one likes to think about a time when they might need long-term care, about 60 percent of individuals over age 65 will require some long-term care services.**

Source: [http://www.longtermcare.gov/LTC/Main\\_Site/index.aspx](http://www.longtermcare.gov/LTC/Main_Site/index.aspx) (February 2007)

## **Won't Medicare or Medicaid cover long-term care expenses?**

Medicare is a medical program for people over age 65 that generally doesn't pay for nursing home or home care, unless it is part of a rehabilitative plan or skilled care. Also, Medicare only covers a maximum of 100 days per benefit period in a nursing home.

Medicaid is a state and federal program for low-income individuals. It does provide some assistance, but you must first "spend down" your resources to qualify. Most assets you have accumulated may be at risk including savings, investments, retirement plans and other valuable property intended for your heirs. Medicaid requirements vary by state.



## **Help protect yourself, your family and your assets**

### **with AssurityBalance Long-Term Care Insurance.**

Our LTCI gives you two coverage options. Both options pay 100 percent of actual expenses up to your selected daily benefit.

#### **1. Facility Care Only Option<sup>1</sup> (FC)**

Includes care in a nursing facility or assisted living facility.

#### **2. Comprehensive Option Facility Care (FC) and Home and Community Based Care (HCBC) (available for additional premium)**

- Includes care in a nursing or assisted living facility, as well as care in your home or in the community, including hospice care.
- Provides respite care so the primary caregiver in your home can be relieved by another caregiver. HCBC also includes training for your informal caregiver.

<sup>1</sup> Facility Care Only coverage is not available in OR, RI, & VT.

## **You need to consider LTCI if:**

- ▶ You have assets and income to protect against the risk of catastrophic long-term care expenses.
- ▶ You want to help protect your family from the burden of possible long term care expenses.
- ▶ You want to have greater control over the quality and type of long term care you receive, should the need arise.



# LTCI Policy Highlights

Our LTCI policy offers some of the best, most wide ranging benefits in the industry. The following benefits are included in both the Facility Care Only Option and the Comprehensive Option at no extra cost:

## **Waiver of Premium/Joint Waiver of Premium**

Premium payments for the entire policy are waived when you or a second insured are confined to a nursing or assisted living facility for 90 days. The Joint Waiver of Premium waives the total premium even when only one insured is confined.

## **Bed Reservation**

If you are temporarily absent from a care facility, charges will be paid, up to your daily benefit, to secure your bed for up to 30 days per calendar year.

## **Alternative Plan of Care**

If agreed upon by you, your licensed health care provider and Assurity Life Insurance Company, an Alternative Plan of Care may be developed in order to provide for Qualified Long Term

Care Services not specifically shown as being available under the policy (such as equipment purchases or rentals).

## **Optional Personal Care Advisor**

We'll provide a personal care advisor to answer your questions about benefits eligibility, levels of care, facility availability and service resources. There is no deduction from your benefit pool for this service.

## **Optional Care Coordination**

At your request, we will provide a care coordinator – a registered nurse, who can help develop a plan of care, arrange monitoring service and complete claims documentation. There is no deduction from your benefit pool for this service.

## **Guaranteed Renewable for Life**

As long as you continue to pay your premiums on time, we will never cancel, refuse to renew or place restrictive riders on your coverage after it has been issued. However, we can modify the premium if we make the same adjustments for all covered persons in a state under the same class.



# Qualifying for Benefits

You become eligible for LTCI benefits if, within the previous 12 months, you have been certified by a licensed health care practitioner as being unable to perform two or more of the activities of daily living (ADLs) without hands-on or stand-by assistance for a period of at least 90 days, or as having a severe cognitive impairment requiring substantial supervision.

## Activities of Daily Living (ADLs)

- Bathing
- Eating
- Continence
- Toileting
- Dressing
- Transferring



# LTCI Policy Specifics

Your insurance representative/agent will help determine which of these choices will best meet your individual needs:

## Benefit Amount

Benefit selections are available for up to \$300 per day.

## Benefit Period

You may select a lifetime benefit period or a period based on a specific amount of time. These specific benefit periods include 10-year, six-year, five-year, four-year, three-year or two-year.

## Elimination Period

You may select an elimination period that meets your needs. An elimination period is the number of days you must wait from the time you begin receiving covered care until you begin receiving policy benefits. The elimination period need only be satisfied once in a lifetime – 0 days, 30 days, 90 days or 180 days.<sup>2</sup>

## Joint Coverage<sup>3</sup>

A premium discount of up to 80 percent is available for a second insured living in your household. Each insured person would have a separate pool of funds for LTCI expenses. That way, each insured individual's costs would have no effect on the funds available for the other insured.

## Tax-Qualified Plan

This policy is intended to be a tax-qualified LTCI insurance plan. We recommend you consult with an attorney, accountant or tax advisor regarding any tax implications.

<sup>2</sup> 180 days not available in CT, GA, SD and VT.

<sup>3</sup> Limited to spouses only in MD. Referred to as Additional Insured Coverage in NJ.

# Optional LTCI Riders

We offer a variety of riders so the LTCI policy can be customized especially for you. These optional riders are available for an additional premium. The cost of these riders varies based on issue age, premium payment option, elimination period and benefit period.

## **Available with Facility Care Only Option and Comprehensive Option:**

### **Full Return of Premium Rider**

If you die while the policy is in force, the total of premiums paid for the policy and any attached riders will be paid to your beneficiary.

### **Shortened Benefit Period Nonforfeiture Rider**

If the policy has been in force for at least three years and the policy lapses for nonpayment of premium, coverage will continue and benefits will be payable until the total of benefits is equal to the total premiums paid.

### **Optional Policy Surrender Rider**

If the policy has been in force for at least five years, the policy may be surrendered and 80% of the premiums will be returned to you, subject to evidence of insurability.

### **Compound Benefit Increase Rider**

An annual 5 percent increase of the previous year's daily benefit amount compounded for life, with a corresponding increase of pool amount, is provided. Benefits increase regardless of claim status. The premiums for this rider may be paid under either the standard premium or the **step rated premium payment option**. With the step rated option, the rider premiums increase by the same amount on each policy anniversary date.

### **Simple Benefit Increase Rider**

An annual 5 percent increase of original daily benefit for life with a corresponding increase of pool amount is provided. Benefits increase regardless of claim status. You may only apply for the Simple Benefit Increase Rider if you review and reject the Compound Benefit Increase Rider.

### **Restoration of Benefits Rider**

If you begin receiving benefits from the policy, and recover enough that benefits are not received for 180 consecutive days, then the benefit amount payable under the policy would be restored up to twice the original benefit amount.

### **Shared Benefit Amount Rider**

When a joint policy has been issued, and either insured has exhausted their benefit amount under the policy, a second benefit pool is made available through this rider.

## ***Optional Riders Continued...***

### **Facility Only Indemnity Benefit Rider**

This rider will change your benefit from reimbursement to indemnity for the facility portion of your policy. As a result, with this rider, when you incur eligible Facility Care expenses, we will pay the full daily benefit amount, regardless of actual expenses incurred.

## **Available with Comprehensive Option Only:**

### **Facility Care (FC) and HCBC Indemnity Benefit Rider**

All base policy benefits are changed from reimbursement to indemnity.

### **First-Day HCBC Benefit Rider**

Benefits can begin on the first day of claim for HCBC.

### **Monthly HCBC Benefit Rider**

HCBC benefits payable at a daily maximum can be changed to a monthly maximum, for expenses incurred during a calendar month, up to your daily benefit times the actual number of days in that month.

### **HCBC Waiver of Premium Benefit Rider**

Premiums can be waived after either insured has received 90 service days of HCBC benefits.

## **Limitations and Exclusions**

Benefits will not be paid and the Elimination Period will not be satisfied for any confinement, care treatment or service(s):

- Provided to you by a person in your family
- Provided outside the U.S. or its territories, or Canada, except that we will provide benefits outside the U.S. or its territories, or Canada, for up to 30 days per calendar year
- For which you have no financial liability or that is provided at no charge in the absence of insurance
- Provided in facilities operated primarily for the treatment of alcoholism or drug addiction
- Provided in facilities operated primarily for the treatment of mental or nervous disorders (however, this shall not operate to exclude coverage for loss which results from Alzheimer's Disease or any other demonstrable organic disease such as senile dementia)
- For any claim, bill or other demand or request for payment for health care services provided and determined to be furnished as a result of a referral prohibited by §1-302 of the Health Occupations article (MD only)
- Providing duplication of benefits provided under any Motor Vehicle Responsibility Law (PA only)

# Non-Duplication of Benefits

Benefits are not payable under this policy for:

- Expenses that are reimbursable under Medicare or would be reimbursable but for the application of a deductible or coinsurance amount.
- For any other state or federal worker's compensation plan, or other governmental program (except Medicaid).

For purposes of satisfying the Elimination Period, days on which you satisfy the Eligibility for the Payment of Benefits provision, but coverage is excluded due to the Nonduplication of Benefits provision, will count toward satisfaction of the Elimination Period.

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Coverage provided by Policy Forms AL2100P, et al. ( In Idaho, AL2100P-ID, in NC AL2100P-NC, in PA AL2100P-PA, and in TX AL2100P-TX), underwritten by Assurity Life Insurance Company, Lincoln, Nebraska. For costs and further details of coverage, including exclusions and reductions or limitations and the terms under which this Long Term Care Insurance policy may be continued in force, contact Assurity Life Insurance Company or your agent/representative. A licensed insurance agent/representative may contact you.

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This brochure is not a contract. It is intended solely to provide a general description of the LTCI policy. Policy provisions and benefits may vary by state, and some of the benefits described here may not be available in your state. Please refer to the special state supplement (if applicable) enclosed to describe any variations for your state. Your Outline of Coverage will provide you with a brief summary of coverage, but only the actual policy contains the governing contractual provisions.

The information provided here is not intended as legal or tax advice. We recommend that you consult with an attorney, accountant or tax advisor regarding the tax implications of purchasing long-term care insurance.

## AssurityBalance® Long-Term Care Insurance *Customized for You*

### Policy Choice (choose one)

- Facility Care Only Policy Option
- Comprehensive Policy Option – Facility Care (FC) and Home and Community Based Care (HCBC)
- Daily benefit amount (up to \$300)

### Elimination period (choose one)

- 0 days
- 30 days
- 90 days
- 180 days

### Benefit period (choose one)

- Lifetime
- 10 years
- 6 years
- 5 years
- 4 years
- 3 years
- 2 years

### Optional benefits available for Facility Care Only Option or Comprehensive Policy Option (additional premium)

- Facility Care Only Indemnity Benefit Rider
- Compound Benefit Increase Rider
- Simple Benefit Increase Rider
- Full Return of Premium Rider
- Shortened Benefit Period Nonforfeiture Rider
- Optional Policy Surrender Rider
- Restoration of Benefits Rider
- Shared Benefit Amount Rider

### Optional benefits available for Comprehensive Option only (additional premium)

- Facility Care and HCBC Indemnity Benefit Rider
- First Day HCBC Benefit Rider
- Monthly HCBC Benefit Rider
- HCBC Waiver of Premium Benefit Rider

### Payment Options (choose one)

- 10-year payment
- 20-year payment
- Lifetime payment
- Step Rated Premium Payment Options (available with the Lifetime Option only)