

LIFESecure INSURANCE COMPANY



LifeSecure LTC II *with Shareability Option*

Individual and Multi-life Long Term Care Insurance

LifeSecure Insurance Company has released its next-generation Long-Term Care insurance product – LTC II with Shareability Option – to the individual and multi-life markets. The new product is currently available in 42 states.*

LifeSecure's new LTCi product and respective pricing were designed to reflect current economic realities and further refined based on decades of experience of the LTC insurance industry as a whole. Our new offering also preserves LifeSecure's trademark simplicity, flexibility and innovation. The result is a product with greater stability and stronger risk protection that will serve policyholders for years to come as well as give you, the agent, continued confidence when recommending LifeSecure's LTC solutions to your clients.



** This announcement is not applicable for California. Please refer to our separate announcement specific to California.*

For Agent Use Only. Not for Solicitation Purposes.

What's similar?

LifeSecure's LTC II with Shareability Option still offers...

- **The same simple product structure you know with a straightforward Benefit Bank design, Monthly Benefit choices and very few decision points.**
- **The same Flexible Benefit, which can be used for informal care, including care by family members.**
- **The same opportunity to offer multi-life, simplified-issue solutions to employer groups with as few as three employees.**

What's new?

Product Enhancements

- **An International Coverage Benefit** as a standard feature.
- **A Shared Care Benefit Rider** to provide greater flexibility for couples.

Pricing Changes

- **Gender-based pricing** for the individual markets to better reflect differences in claims and benefits usage between males and females. This pricing trend represents a new direction in the LTCi industry, is in line with changes made by other carriers, and will help further support the strength and stability of LifeSecure's LTCi product line. The multi-life markets will continue to use unisex-based pricing (*In DE & MT: unisex rates for all individual and multi-life rate classes*).
- **Adjusted pricing assumptions** to more accurately reflect the current economic environment, recognize industry claim trends and incorporate up-to-date LTCi industry experience analysis. This update has resulted in an increase to our unisex rates by 27% on average, as compared to our previous unisex rates. Actual differences vary widely based on ages, benefit durations and types of inflation protection.

Underwriting Updates

- **Newly refined underwriting practices** – such as modifications to our build table and a move to BMI measures, updates to our uninsurable medications list, and revisions to the knockout questions in both individual and multi-life applications. These updates help to create a more stable risk-to-pricing balance and also allows LifeSecure to be able to offer strong, comprehensive LTCi protection for years to come – at premiums that remain very competitive in today's marketplace.
- **New individual underwriting requirements** include the use of paramedical exams for applicants who haven't undergone a medical examination in the previous two years.

Multi-life Program Changes

- **Two new distinct multi-life LTC programs – one for groups with fewer than 10 eligible employees and one for groups with 10 or more** – allowing us to differentiate risk controls and underwriting parameters in order to create a more stable, competitive solution for different sized groups.
- **Broader availability of simplified issue underwriting** to spouses, K-1 business owners and board members who are actively at work on a full-time basis.
- **Additional components of simplified issue underwriting** to include considerations of BMI and uninsurable medications.
- **Stricter participation requirements** for access to simplified issue.
- **Proof of actively-at-work full-time status** requirements for certain employer groups and eligible applicants.

[Click here](#) for detailed information.

Upgraded Online Capabilities

- **Our ground breaking web-based tools** have kept LifeSecure at the forefront of providing innovative online solutions to our agents since 2006. Our enhanced online quoting and e-application experience now features:
 - **New ways to quote**, featuring a Target Benefit Bank, Target Monthly Benefit and Target Monthly Premiums.
 - **Streamlined e-applications** with easier flow, smart user supports, and links and email capabilities for all regulatory forms.
 - **Easier and faster e-signature methods** with your choice of keyboard, mouse or voice authorization signatures.

Available States

LifeSecure LTC II *with Shareability Option* is now available for quoting and selling in the states listed below.

Alaska	Illinois	North Carolina	South Carolina
Alabama	Indiana	Nebraska	South Dakota
Arizona	Kansas	New Mexico	Tennessee
Arkansas	Kentucky	Nevada	Texas
Colorado	Louisiana	North Dakota	Utah
Connecticut	Maryland	Ohio	Virginia
District of Columbia	Michigan	Oklahoma	Washington
Delaware	Minnesota	Oregon	Wisconsin
Georgia	Missouri	Pennsylvania	West Virginia
Iowa	Mississippi	Rhode Island	Wyoming
Idaho	Montana		

Notes: LifeSecure will continue to offer the current LTC product in the states of Florida and Hawaii until LTC II is approved. The new underwriting updates and multi-life program changes went into effect for all states on 2/3/14.

At a Glance: *LifeSecure's Original LTC and LTC II with Shareability Option*

	Original LTC Plan (2006 - 2013)	NEW LTC II <i>with Shareability Option</i>
Eligible Purchase Ages:	18 - 84	18 - 79
Benefit Bank:	\$75,000 - \$1,000,000	\$100,000 - \$1,000,000
Monthly Benefit:	1%, 2% or 3%* of the Benefit Bank Example: $\begin{array}{r} \boxed{\$ 300,000} \\ \text{Benefit Bank} \end{array} \times \begin{array}{r} \boxed{2\%} \\ \text{Access \%} \end{array} = \begin{array}{r} \boxed{\$ 6,000} \\ \text{Monthly Benefit} \end{array}$ * 3% n/a for Benefit Banks > \$500,000	
Coverage Description Summary:	Expense reimbursement up to the Monthly Benefit amount for covered services which include: <ul style="list-style-type: none"> • Home Care (including Independent Providers) • Assisted Living • Nursing Home • Hospice Care 	
Benefit Wait Period:	90 Calendar days	
Waiver of Premium:	After the Benefit Wait Period has been satisfied (<i>when receiving benefits</i>)	
Bed Reservation:	Unlimited days per calendar year (<i>for any reason</i>)	
Flexible Benefit:	Provides greater flexibility in the types of care, services and provisions available under this policy; not restricted by definitions of covered services Up to 50% of unused Monthly Benefit to cover care provided by family members or other informal caregivers, training of informal caregivers, home modifications, home medical technology, or other care-related supplies or services. Allows informal and licensed home care simultaneously in the same month.	
International Benefit:	Not Available	Up to one year indemnity benefit: <ul style="list-style-type: none"> • 100% Monthly Benefit for facility care • 50% Monthly Benefit for home or community care (<i>Waiver of Premium will not be triggered if only the International Benefit is being paid</i>)

**Original LTC Plan
(2006 - 2013)**

**NEW LTC II
with Shareability Option**

Riders / Options

Inflation Protection Options:

- 3% Compound Inflation Rider
- 5% Compound Inflation Rider
- Guaranteed Future Purchase Offers (GFPO)

The GFPO provides an opportunity to increase your current Benefit Bank and Monthly Benefit by 15% every three years without medical underwriting; unlimited offers no matter how many times the insured declines until age 80 or claim eligible.

Note: GFPO is included unless the 3% or 5% rider is elected.

Shared Care Rider:

Not Available
(Except in California)

Enables spouses/partners to share policy benefits in the event one person exhausts the total benefits of his/her policy.

A Guaranteed Minimum Benefit Bank of 12 X Monthly Benefit must be reserved for use by original policyholder.

The initial Benefit Bank may not exceed \$750,000 per spouse/partner when electing Shared Care.

Money-back Promise Rider:

If the policyholder dies while policy has been in force for 5 or more years, a percentage of the premiums, less any claims, is refunded.

Payback percentage equals:

- 25% of premiums paid if death occurs in policy years 5 – 9
- 50% in years 10 – 14
- 75% in years 15 and beyond.

Non-forfeiture Benefit Rider:

Provides a reduced paid-up benefit in the event of a policy lapse; rider must be in force for at least three years prior to lapse.

Other Benefits/Provisions

Care Advisory Services/Care Coordination:

Consultation, advice and information for policyholders; support in developing an appropriate plan of care.

Such services are voluntary, unlimited and do not reduce the overall Benefit Bank.

Caregiver Support Services:

CarePoint Resources includes a nationwide provider network and provides information on caregiving and resources to help policyholders and their family members (even if not insured) find quality, cost-effective in-home or facility care.

Limited Pay Choices:

10-pay, To Age 65

10-pay

**Original LTC Plan
(2006 - 2013)**

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Available Discounts

Spousal/Couple: 2 applying - 2 approved	30%	30% <i>(requires same policy form)</i>
Spousal/Couple: 2 applying - 1 approved	10%	0%
Marital Discount: 1 applying	10%	0%
Employer Contribution Discount:	5% Employer Contribution Discount for qualifying groups receiving minimum employer contribution	5% Employer Contribution Discount for qualifying groups of 10+ employees receiving minimum employer contribution

Rate Classes

Preferred:	90% of Standard <i>(unisex rates)</i>	90% of Standard <i>(gender-based rates*)</i>
Standard:	Standard <i>(unisex rates)</i>	Standard <i>(gender-based rates*)</i>
Sub-standard:	140% of Standard <i>(unisex rates)</i>	140% of Standard <i>(gender-based rates*)</i>
Multi-life:	Multi-life <i>(unisex rates for qualifying groups)</i>	

* In DE & MT: unisex rates for all individual and multi-life rate classes

Note: Terms, availability of benefits, amounts, options, and discounts may vary by state.

About LifeSecure

Founded in 2006, LifeSecure Insurance Company is a wholly-owned subsidiary of a \$13 billion health insurance corporation that serves over 5 million members. LifeSecure is dedicated to providing uncomplicated insurance solutions to help people protect themselves from unforeseen health-related risks and expenses. Our guiding business philosophy is focused on delivering “easi”: expertise, accessibility, simplicity and innovation to our customers.

We are proud to offer our second-generation long term care insurance product – LifeSecure LTC II *with Shareability Option*. It continues our tradition of a straightforward Benefit Bank design and optional benefits to help consumers find the right amount of protection that meets their own personal budgets! And it also offers a Shared Care Benefit Rider, so couples can share coverage should one need to access benefits beyond his or her own policy limits.



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