

LIFESECURE INSURANCE COMPANY



# Long Term Care Insurance

*LifeSecure LTC II – Product Overview*



ICC16-LS-LTC-R317  
LS-LTC-R317 ST

Policy Form Series: ICC13-LS-LTC-0004  
ICC13-LS-LTC-0005  
LS-LTC-0004 and LS-LTC-0005

# Standard Features

**Issue Ages:** 18 through 79

**Premium Payment Options:** Lifetime or 10-year

Most policyholders choose to pay premiums over a lifetime. However, the 10-year premium payment option allows for an accelerated payment over a shorter period of time.

## Premium Discounts

- **Spouse Discount** — If you and your spouse/partner both apply for coverage and are accepted, a 30% premium discount will apply to each policy. To qualify for the discount, both individuals must apply for the same policy series (LTC-0004 or LTC-0005, et al).
- **Employer Contribution Discount** — If coverage is provided through your employer, an additional 5% discount may be available under the Employee Solutions multi-life program.

## Care Options

Care can be provided in various settings (in accordance with your Plan of Care).

- Costs may be reimbursed **up to your full Monthly Benefit** for qualified long term care services provided in the following settings:
  - Your home
  - An assisted living facility
  - A nursing home or hospice care facility
  - An adult day care center
- Informal care may be reimbursed **up to 50% of your unused Monthly Benefit** under the **Flexible Benefit** for services provided by a family member or friend in your home. See pages 4-5 for details.

*LifeSecure allows use of both formal and informal care in your home in the same month.*

## Benefit Eligibility

You would be eligible for benefits if you were certified as chronically ill within the last 12 months by a licensed health care practitioner. This means that you are unable to perform at least two activities of daily living (*bathing, dressing, toileting, transferring, continence and eating*) for a period that is expected to last at least 90 days, or you require supervision to protect your health and safety due to a severe cognitive impairment.

## Benefit Wait Period (90 Days)

Once you are verified as chronically ill, you must satisfy the Benefit Wait Period, which is similar to a deductible, to begin receiving benefits (including the Flexible Benefit). With LifeSecure, your 90-day Benefit Wait Period is based on **calendar days**, not service days.

- You do not need to provide proof of receiving paid services in order to satisfy your Benefit Wait Period.
- Your Benefit Wait Period need only be met once during your lifetime.

## Guaranteed Future Purchase Offers

This benefit is included in your coverage as a standard feature, unless you elect one of the optional compound inflation benefits described in Step 3 of “Choosing a Plan is Easy” on page six of this brochure. Under the Guaranteed Future Purchase Offers, until you reach age 80 or go on claim, you will be offered the opportunity to increase your current Benefit Bank and Monthly Benefit by 15% every three years, regardless of how many times you have declined previous offers. You may accept each offer without submitting evidence of insurability. (In CT & IN: offers continue beyond age 79.)

## Waiver of Premium

Your premiums are waived beginning on the first day you start receiving benefits, except under the International Coverage Benefit. As long as you continue to receive benefits, additional premiums will not be required.

## International Coverage Benefit

If you require care or services while outside the United States, Canada or their territories or possessions, you will be eligible for up to 365 days of benefits in an international location throughout the life of your policy. The international coverage benefit is paid on an indemnity basis in US dollars, regardless of actual expenses, as follows:

- 100% of the Monthly Benefit for care provided in a qualified facility; or
- 50% of the Monthly Benefit for care provided in a home or a community based setting.

# Optional Benefit Riders\*\*

## Compound Inflation Benefit (3% or 5%)

If you elect this optional benefit, we will automatically increase your current Monthly Benefit and your remaining Benefit Bank by 3% or 5% each year. The increase will be effective on each anniversary of your Policy and Rider, even while you are receiving benefits.

## Money-Back Promise<sup>SM</sup>

If you die while this rider is in force for 5 or more years, a percentage of the premiums (less benefits paid) is refunded to a beneficiary. Your policy must be in force at the time of death for the Money-Back Promise Rider benefits to be payable.

## Non-forfeiture Benefit

If this rider is in force for at least three full years, and then the policy terminates due to non-payment of premium, this optional benefit allows you to retain a reduced paid-up amount of coverage. You will have a revised Benefit Bank equal to the greater of: 100% of the sum of all premiums paid by you, or one times your Monthly Benefit. *Not applicable if Benefit Bank is exhausted prior to lapse.*

% Payback of Premiums Paid	If Death Occurs In Policy Years
25%	5 - 9
50%	10 - 14
75%	15+

## Shared Care

This optional rider gives couples the ability to share benefits in the event that one spouse uses his/her entire Benefit Bank. If your spouse exhausts his/her Benefit Bank, he/she may begin drawing from yours - leaving at least 12 x the Monthly Benefit for you.\*

To be eligible for Shared Care, both individuals must have identical coverage selections. The Initial Benefit Bank Amount may not exceed \$750,000<sup>†</sup> per spouse when selecting this rider.

Upon death, any remaining Benefit Bank from the deceased's policy will transfer to the surviving spouse (if applicable), and his/her premium amount will decrease by the cost of the rider.

<sup>†</sup> Note for employees or members of multi-life offerings: full underwriting is required for certain Benefit Bank amounts.



## Example:

Alex and Kim purchase identical insurance policies, including the **Shared Care** benefit rider.

	Alex	Kim
Benefit Bank:	\$250,000	\$250,000
Monthly Benefit:	\$5,000	\$5,000

Alex receives benefits for \$440,000 of covered long term care services – the maximum benefit available to him, using \$250,000 from his policy, as well as an additional \$190,000\* from Kim's policy.

	Alex	Kim
Remaining Benefit Bank:	\$0	\$60,000

Kim has not received any benefits, and now has a Benefit Bank of \$60,000 (12 X the \$5,000 Monthly Benefit).\* This amount is reserved for Kim's use. Example assumes Kim has not yet incurred a claim.

*Note: For simplicity, this example assumes no Compound Inflation riders nor the acceptance of Guaranteed Future Purchase Offers.*

\* **In AZ:** Your spouse must leave at least 24 x the Monthly Benefit for you. In the example, Alex can use \$130,000 of Kim's benefits, leaving \$120,000 in Kim's Benefit Bank.

\*\* Additional premium required



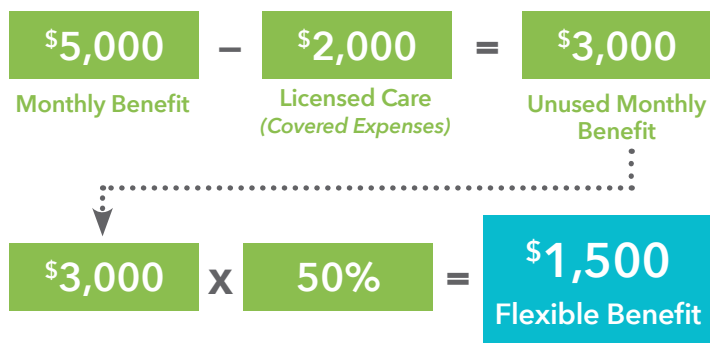
## Flexible Benefit

Your LTC insurance plan includes a Flexible Benefit, which is designed to provide greater flexibility in the types of care, services and products available to you - beyond those defined as covered expenses. With the Flexible Benefit, up to 50% of the unused\* Monthly Benefit will be available to you, based on your Plan of Care for:

- Care provided by family members - even immediate family members living in the same household, including your spouse/partner
- Care provided by friends, neighbors or other informal support networks
- Training for an informal caregiver
- Home modifications, such as a wheelchair ramp or grab bars
- Care-related products or personal supplies, such as a lift chair or hospital bed
- Durable medical equipment or other home medical technology
- Both formal (licensed) care and informal care are allowed in your home during the same month

\* "Unused" refers to benefits not reimbursed for normal qualified and defined covered expenses.

### Example:



### How is the value of informal care determined?

Benefit amounts payable under the Flexible Benefit for care provided by a family member or other informal care provider are determined based on "usual and customary" charges in the geographic region where care is received.



**Our goal is to help families manage long term care expenses with FLEXIBILITY in how their LTC insurance benefits are used.**

During any month, you can use your Flexible Benefit in one of the following ways:

Use up to 50% of your Monthly Benefit **when no licensed care is provided:**

$$\begin{array}{ccccccc} \$5,000 & - & \$0 & = & \$5,000 \times 50\% & = & \$2,500 \\ \text{Monthly Benefit} & & \text{No Licensed Care} & & & & \text{Flexible Benefit} \end{array}$$

Use up to 50% of your unused\* Monthly Benefit **when licensed care is provided:**

$$\begin{array}{ccccccc} \$5,000 & - & \$2,000 & = & \$3,000 \times 50\% & = & \$1,500 \\ \text{Monthly Benefit} & & \text{Licensed Care} & & & & \text{Flexible Benefit} \\ & & \text{(Covered Expenses)} & & & & \end{array}$$

\* "Unused" refers to benefits not reimbursed for normal qualified and defined covered expenses.

Note: Unused Monthly Benefit amounts do not roll over or accumulate month to month; however, all unused benefit amounts will remain in your overall Benefit Bank balance.

# Choosing a Plan is Easy...

## Step 1 - Choose your Benefit Bank

Choose any amount between **\$100,000** and **\$1,000,000<sup>†</sup>** available in one dollar increments. Your Benefit Bank represents the lifetime dollar benefit amount available to you. Your Benefit Bank balance is reduced by any benefits paid to you or on your behalf.

## Step 2 - Choose Your Monthly Benefit

Choose **1%, 2% or 3%** of your Benefit Bank<sup>††</sup>. Your Monthly Benefit is calculated as a percentage of your Benefit Bank and represents the maximum dollar benefit amount available on a monthly basis for your long term care needs. (Minimums: **In WI:** \$1,800; **In SD:** \$3,000)

$$\boxed{\$} \times \boxed{\%} = \boxed{\$}$$

Benefit Bank  Monthly Benefit

**Example:** A \$250,000 Benefit Bank with 2% access limit provides a Monthly Benefit of **\$5,000**. (**\$250,000 x 2% = \$5,000**)

*When you become eligible for benefits, we will reimburse you for incurred long term care covered expenses up to your Monthly Benefit each calendar month. In a given month, any unused Monthly Benefit remains in your Benefit Bank and extends the life of your policy.*

## Step 3 - Choose Optional Benefit Riders\*

- Compound Inflation Benefit (3% or 5%)
- Money-Back Promise
- Non-forfeiture Benefit
- Shared Care



\* See page 3 for overview - additional premium required.

<sup>†</sup> Note for employees or members of multi-life offerings; full underwriting is required for certain Benefit Bank amounts. Contact your agent for details.

<sup>††</sup> 3% Monthly Benefit not available for Benefit Bank amounts over \$500,000. (In AZ: also not available Shared Care)



# Other Reasons to Consider LifeSecure LTC Insurance

## The LifeSecure Care Advisor Services

With LifeSecure, you and your family are not alone. We're with you from the day you receive your policy, and we'll stay close from that day forward. You'll always have unlimited access to LifeSecure Care Advisor Services, which can help you with:

- Questions about long term care
- Recommendations for care facilities
- Arrangements for personal care or services
- Rate negotiations with providers on your behalf (*also extends to family members*)

## The LifeSecure Web Portal

Your LifeSecure Web portal at [www.YourLifeSecure.com](http://www.YourLifeSecure.com) makes it easy to stay connected.

You can review your own coverage amounts, premiums and other policy details, as well as access copies of your policy and application at anytime.

## We help you make choices that are right for you.

Who knows what's best for you, better than you? We understand that care needs are unique, so we designed our policy for maximum flexibility to meet your personal situation.

# About LifeSecure

LifeSecure Insurance Company was founded in 2006 as a Michigan-based insurance company, which quickly expanded to a national presence. LifeSecure is dedicated to providing a different kind of insurance experience to help create a better future for our customers.

We are proud to offer a long term care insurance product that continues our tradition of simplicity and flexibility. Our straightforward Benefit Bank design and optional benefits help individuals and families find the right amount of coverage to meet their own personal needs!

## Policy Limitations and Exclusions

The policy will not pay benefits for care, treatment, services or charges: for a loss that occurs while the policy is not in force; for alcoholism or drug addiction (**In SD**, for the rehabilitation of alcoholism or drug addiction), except for an addiction to a prescribed medication administered on the advice of a Physician\*; due to declared or undeclared war or act of war; due to participation in a felony, riot or insurrection or involvement in an illegal occupation\*\*; due to suicide, attempted suicide or intentionally self-inflicted injury; that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount; that are reimbursable (**In SD**, paid or provided) or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law; provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit; for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or provided by an Immediate Family member (except as provided under the Flexible Benefit), unless: he or she is a regular employee of an organization which is providing the care, treatment or service; he or she receives no compensation other than the normal compensation for employees in his or her job category; and the organization receives the payment for the care, treatment, service or charge.

\* *In CT, for confinement due to alcoholism or drug addiction, except for confinement due to an addiction to a prescribed medication administered on the advice of a Physician.*

\*\* *Not applicable in CT.*

**For more information, contact your agent or visit us at [YourLifeSecure.com](http://YourLifeSecure.com).**

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