LIFESECURE INSURANCE COMPANY
10559 Citation Dr., Suite 100
Brighton, MI 48116
1-866-582-7702
www.yourlifesecure.com

| Long Term Care Partnership Program |

Important Disclosure Statement about the State of Maryland's Long-Term Care Insurance Partnership Program (Please keep this Notice with Your Policy or Certificate)

The Qualified State Long-Term Care Insurance Partnership Program is an innovative partnership between Maryland and private insurers of long-term care insurance policies. The Qualified State Long-Term Care Insurance Partnership is established in accordance with the Deficit Reduction Act of 2005 (P.L. 109—171).

Long-term care is usually not covered by Medicare or a health benefit plan. It is covered by the Medicaid program, if you meet certain criteria. The criteria include limits on your assets. Using your assets to pay for your care is sometimes called the "spend-down."

Long-term care insurance is an important tool that helps individuals prepare for future long-term care needs. A Qualified State Long-Term Care Insurance Partnership policy provides an additional level of protection. Specifically, Partnership Policies permit individuals to protect additional assets from spend-down requirements under a Medicaid program if assistance under this program is ever needed and an individual otherwise qualifies for Medicaid.

With a Partnership Policy, the asset eligibility and recovery provisions of the Medicaid program of Maryland are applied by disregarding an additional amount of assets which is equal to the amount of long-term care insurance benefits an individual has received from a Partnership Policy.

For example:

- An individual receives $200,000 of insurance benefits from a Partnership Policy.
- The individual generally would be able to retain $200,000 of assets above and beyond the amount of assets normally permitted for Medicaid eligibility.
- Other Medicaid eligibility requirements apart from permissible assets must be met, including special rules that may apply if the equity in an individual's home exceeds limits set by the Medicaid program.

In addition to providing Medicaid asset protection, a Qualified State Long-Term Care Insurance Partnership policy will generally be subject to beneficial income tax treatment. (Please note that a policy can be a qualified long-term care insurance contract under Federal tax law, with the same beneficial income tax treatment, even if it is not a Partnership Policy.)

What to look for:

- The schedule page of a long-term care insurance policy is required to contain a notice if the policy is a Partnership Policy.
- The notice on the schedule page will indicate whether the policy is intended to meet the standards to be a Partnership Policy in Maryland.
- Under state law, the insurance company also is required to provide a separate notice, on its letterhead, that explains the benefits and the special rights of a Partnership Policy.

Companies wishing to sell Partnership long-term care policies are required to go through a stringent review process. The Maryland Insurance Administration maintains a list of approved companies and has published a Consumer Guide to the Maryland Long-Term Care Insurance Partnership Program. You may obtain a copy of the list and the Consumer Guide by contacting the Administration at 800-492-6116 or by visiting the Maryland Insurance Administration's website at www.insurance.maryland.gov.