

Prudential Long Term Care

SOLID SOLUTIONSSM



PRUDENTIAL'S GROUP INSURANCE

20 Questions concerning long-term care insurance

The Prudential Insurance
Company of America
(Prudential)

0180869



Prudential

Should you be worried?

20 questions you may be asking about long-term care



Planning for long-term care is a personal responsibility

Long-term care is not covered by health insurance and government programs like Medicare provide only limited assistance. Without coverage, your only choices might be to rely on family members to alter their lifestyles and help provide care for as long as they can (or until growing needs exceed their capabilities) or you could pay for skilled care on your own using your hard-earned savings.

Since a disabling accident or illness requiring long-term care can arise at any age, the best time to consider coverage is now. So don't wait: take a few minutes today to learn the answers to 20 commonly-asked questions about long-term care insurance, then decide if this type of coverage might be right for you.

1. What is Long-Term Care?

The term “long-term care” refers to a wide range of services but generally falls into two categories: skilled care and personal care. Skilled care is provided when initially treating an illness or injury and is typically needed for a short period of time. Personal care is care provided to help an individual perform basic activities and functions of daily life—such as assistance with bathing, dressing, eating, transferring, toileting and continence. It may also include speech or occupational therapy, outfitting a bathroom with grab bars, or even light housekeeping or preparing meals. Most long-term care is not skilled medical care, but rather personal care needed to support a long term illness or disability.

2. Who Receives Long-Term Care?

You may think that you are too young and that long-term care is a problem for the “older generation.” But people of all ages could need long-term care. You can suddenly need long-term care if you have a serious accident, develop an illness, or get a disabling disease.

3. What are the Odds of Needing Long-Term Care?

The need for Long term care is unpredictable and can be needed at any age due to an accident, illness or disability. The good news is we are living longer than ever before. Today, Americans surviving to age 65 can expect to live an average of 19 more years or longer.* But, the longer you live, the greater your chances are of needing long-term care. In fact, roughly 70% of individuals over the age of 65 will require some type of long-term care services during their lifetime.*

*Prudential Financial Long-Term Care Cost Study, 2010.
Prudential Financial Global Market Research. www.prudential.com/insurance/longtermcare.

To obtain a copy of this report, please call 1-800-732-0416.



4. How Much Does Long-Term Care Cost?

The cost for services can vary greatly, depending on what type of care you need and where you receive it. But, two things are certain: (1) long-term care services can be expensive, and (2) relying on family or friends may not always be the answer.

The national average annual cost of a private room in a nursing home is over \$90,155, or over \$247 per day.* In many parts of the country, the costs are much greater.

Home care, which is generally less expensive than nursing home care, can still be very costly—especially if round-the-clock care is required. When a member of the family provides informal care at home, the costs are harder to determine. The caregiver may have to give up work either temporarily or permanently. It is also impossible to put a price tag on the emotional stress the caregiver may experience.

*Prudential Financial Long-Term Care Cost Study, 2010.
Prudential Financial Global Market Research. www.prudential.com/insurance/longtermcare.
To obtain a copy of this report, please call 1-800-732-0416.

5. Where Can Long-Term Care Services Take Place?

In the past, long-term care services were provided primarily in nursing homes. Today, there are many more options to help people maintain their desired lifestyles. Support services that help people remain in their own homes have become more commonplace, and a wider range of facilities—including assisted living communities, residential health care facilities and community-based adult day care centers—now offer more choices regarding the type of setting in which care can be received.

6. Isn't Long-Term Care Covered by Health Insurance?

Many people mistakenly believe that some other program already covers them. The fact is, since long-term care is not considered medical care, health insurance generally will not cover the costs.

7. Doesn't Disability Income Insurance Help Cover Long-Term Care Costs?

Disability income insurance is designed to help replace part of lost income while you are actively employed and usually, the coverage ends at age 65 or upon retirement. Disability income insurance was not designed to pay for long-term care. By the time you may realize you are not covered, it may be too late.

8. What do Medicare and Medicaid Cover?

Generally, Medicare covers only skilled care after you have been in the hospital for at least three days. It usually does not cover personal or home care services. It was never designed to pay for extended long-term care and you should not count on it to meet this need.





Medicaid is designed to pay for long-term care services for the very poor. To qualify, you must meet your state's poverty guidelines. In many cases, you must use up (or "spend down") your assets and savings to just \$2,000. If you have assets to protect, Medicaid is not an option for you.

9. Can't I Pay For it Myself?

Of course, you can always rely on your own resources to pay for your long-term care needs. Unfortunately, many underestimate the costs of long-term care and could end up using their retirement savings. Is long-term care a risk that you want to take?

10. What is Long-Term Care Insurance?

Just like your automobile, homeowners, or health insurance, long-term care insurance is another way to help guard against risk. It allows you to help protect your assets and maintain control by providing you with long-term care alternatives.

For many, it may be an economical way to pay for long-term care.



11. How Does Long-Term Care Insurance Work?

Long-term care insurance is designed to help pay the cost of services for those who need help with activities of daily living (ADLs)*—those everyday activities of caring for yourself such as getting dressed, eating, or moving from a bed to a chair. Someone with a cognitive impairment (such as Alzheimer's disease or senile dementia) may need constant supervision and reminders to do simple daily tasks.

*The Activities of Daily Living are Eating, Toileting, Transferring, Bathing, Dressing and Continence.

12. What Services are Covered?

More than 20 years ago, the first long-term care insurance plans only covered nursing home care for individuals. Today, there are many long-term care alternatives, and insurance plans may emphasize care in the home and support of caregivers. Some plans cover:

- Nursing Home
- Adult Foster Home
- Assisted Living Services Facility
- Residential Health Care Facility
- Bed Reservation
- Respite Care
- Hospice Care
- Home Care
- Adult Day Care
- Home Health Care
- Homemaker Personal Care



13. “Facility Daily Benefit” — What Does That Mean?

The Facility Daily Benefit is the greatest amount your plan will pay toward your institutional long-term care needs for one day. Some plans offer a choice of amounts. The amount of the benefit you should consider choosing will depend on many factors, including how much you think it might cost you per day to stay in a nursing home in the area in which you believe you will be needing long-term care. Premiums will vary with choice of benefits selected.

14. What About Home Care?

Staying at home is an important part of overall long-term care planning. A typical plan might offer a Home Care Daily Benefit as a percentage of the selected Facility Daily Benefit.

15. How Do Long-Term Care Plans Keep Up With Rising Health Care Costs?

Most plans address the need for inflation protection by offering features that allow for the increase coverage levels over time. Depending on the plan, inflation protection

might be achieved through a built-in plan feature or an optional rider offered at an additional cost. In either case, it is an important consideration since the cost of care services are likely to continue rising in the future and it’s impossible to predict when a need for long-term care might arise. Inflation protection provides the assurance that your coverage will provide the level of help you expect whether a need occurs just weeks or decades after you purchase your plan.

16. Is There a Waiting Period Before Claims are Paid?

Yes. Most plans have a waiting period, which may also be called an “elimination period” or “benefit waiting period”. This term refers to the amount of time you must wait after being certified as having a chronic illness or disability before you become eligible to make a claim against your plan. The elimination period is the long-term care insurance equivalent of a deductible or “out-of-pocket” expense—just like your automobile or health care insurance. But unlike other deductibles, it is based on a number of days rather than a dollar amount.



17. What Does Long-Term Care Insurance Cost?

Many people do not know the actual cost of long-term care insurance and mistakenly believe it is unaffordable. Although actual premiums may vary, coverage can be affordable for many people—especially when purchased through a group plan and at a younger age. Also it is important to consider the potential cost of not having long-term care insurance. Many of us underestimate the impact that long-term care costs could have on our finances—depleting assets that are needed for retirement income.

18. Are There Advantages to Buying Now Instead of Later?

When you purchase coverage at a younger age, you'll pay a lower premium—and likely pay far less over time in total premiums. If you are currently eligible for coverage through a group plan, you may also be eligible for additional benefits that may not be available to you in the future—like group rates or guaranteed acceptance during open enrollment periods with no medical questions. Owning a long-term care insurance plan today may also allow you to feel more confident about the future, knowing you've taken steps to help protect your financial assets from the high costs of long-term care.

19. Is Long-Term Care Insurance Right for You?

If you have assets or income you want to protect from the high costs of long-term care, then you should seriously consider long-term care insurance. After all, wouldn't you prefer for your home, life savings, or other assets to go to your spouse, children, or favorite charity instead of

a nursing home? You should also consider long-term care insurance if the following are important to you:

- Access to multiple facilities: As a private pay patient (those who pay with their own money or long-term care insurance) over welfare (Medicaid) patients, you will have the freedom to choose a facility that fits your personal needs.
- Independence: Maintaining control is important to us. We like to have choices and don't want to be told by the government where we will have to receive care.
- Not relying on the people close to you: Most people don't want to be a burden, financially or emotionally, to their spouse, children, relatives, or friends.
- Avoiding welfare: Most of us don't want to depend on the government for help. Welfare is for the truly needy.
- Peace of mind: It would be a tremendous comfort to know that if something happens, you and your family will have the financial resources to help pay for long-term care services.

20. What's the Next Step?

Since long-term care affects entire families, you may want to start by speaking with other family members or relatives about the potential costs and likelihood of needing long-term care. Then, take action to learn about the long-term care insurance coverage options that may be available to you and your extended family.

To learn more, call 1-800-732-0416
or visit www.prudential.com/longtermcare

For Texas residents there is available a senior insurance counseling service.

You can contact this service at: Health Information Counseling and Advocacy Program (HICAP), 701 W. 51st. W-352, Austin, Texas 78751. Phone: 800 252-9240

Prudential Long Term Care Solid SolutionsSM Insurance plan is issued by The Prudential Insurance Company of America, a New Jersey company, 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. Contract series: 83500. (In Idaho and Texas coverage is issued under 83500 COV 5022. In Pennsylvania, coverage is issued under 83500 COV 5027.) All insurance plans/options may not be available in your state.

This is a solicitation for long-term care insurance.

© 2011 The Prudential Insurance Company of America.

Prudential and the Rock logo are registered service marks of The Prudential Insurance Company of America.

0180869-00001-00

116064