

**THE PRUDENTIAL INSURANCE  
COMPANY OF AMERICA**

**LONG-TERM CARE INSURANCE**



**PLANNING AHEAD FOR YOUR  
LONG-TERM CARE NEEDS**



INSURANCE MARKETPLACE STANDARDS ASSOCIATION

*Committed to honesty,  
integrity and ethics*

The descriptions provided in this brochure are for descriptive purposes only. Coverage and benefits are provided in accordance with the terms and conditions of your long-term care insurance contract, including the definitions and exclusions set forth in the contract. If you have any questions about your coverage, please consult your actual insurance policy.

LTC3™ Long-Term Care Insurance policy is underwritten by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102 (800 732-0416). The Prudential Insurance Company of America is authorized to conduct business in all U.S. states and the District of Columbia. All insurance policies may not be available in your state. Coverage is issued under policy number GRP 113146.

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**Prudential  Financial**

Growing and Protecting Your Wealth®



*As an experienced lender in the long-term care market, The Prudential Insurance Company of America is dedicated to educating the public on the importance of planning for the future. You can rely on our commitment and our flexible long-term care insurance products to assist you in helping to take care of your long-term care needs.\**

*The Prudential “Rock” logo has become an American icon symbolizing financial strength and stability and the trust that millions have placed in Prudential for over 125 years. Prudential has also been selling long-term care insurance for over 20 years. When you think of long-term care insurance, think of Prudential—when expertise and dependability are a must.*



**LONG-TERM CARE INSURANCE HELPS THOSE WHO NEED LONG-TERM CARE SERVICES MAINTAIN CHOICE AND CONTROL.**

**FINDING THE RIGHT BALANCE**

We all try to find balance in our lives. Between raising a family and careers, just making time for ourselves can be difficult. But we still try. Even when it comes to financial planning, we have many competing priorities—helping children or grandchildren with college expenses, paying off a mortgage or saving for retirement. But there is something else that we need to make a priority. Something that many of us are not paying nearly enough attention to. Something that can derail even the most comprehensive financial security plans. It is planning ahead for our long-term care needs.\*

*If you or your loved one were faced with the need for long-term care services\* tomorrow, what would you do?*

**IT'S UP TO YOU**

Today the responsibility of long-term care planning is up to you. While you may understand the seriousness of long-term care, you may not be quite sure what to do about it. Unless your financial plan already includes long-term care insurance, you can start here, right now. Use this brochure to understand some of the key issues and misconceptions about long-term care and what you can and cannot count on. This is the first step toward taking care of your future long-term care needs.

**\*Long-term care is the help or supervision provided to someone with a severe cognitive impairment or a chronic illness or disability resulting in the inability to perform at least two activities of daily living. Activities of daily living include: bathing, dressing, eating, toileting, transferring, and continence.**

## SHATTERING THE LONG-TERM CARE MYTHS

### **IS LONG-TERM CARE EXCLUSIVELY AN ISSUE FOR THE ELDERLY?**

You may feel that you are too young to think about long-term care. But, sadly, long-term care problems can materialize at any age.

Because no one can predict if they might need long-term care, it should not be thought of as just a problem for the “older generation.” Generally, the younger you are when you purchase a long-term care insurance policy, the **more affordable** it is likely to be. It is also less likely you will have medical problems that may disqualify you from coverage.

It is important to remember that in most cases, you can't get long-term care insurance once you have a problem that requires long-term care services. Do not make the mistake of waiting until it's too late.

### **DOES LONG-TERM CARE MEAN BEING PUT INTO A NURSING HOME?**

When you think of long-term care, the first thing you probably think of is a nursing home. While it is true that long-term care services may be received in a nursing home or assisted living facility/residential care facility, for most of us, it is a last resort.

Today, long-term care includes a much wider range of services. Long-term care services can take place in the home, a community setting or in a facility. Since long-term care is assistance in performing everyday functions such as bathing, eating and dressing, some people may need it around the clock.

Others may need it while recovering from an injury or illness and could involve a caregiver coming into their home several times a week.

*If you or your significant other needed long-term care services, what would be the impact on your lifestyle and your savings?*

### **WHAT ARE THE ODDS THAT I WILL NEED LONG-TERM CARE?**

It's human nature to be optimistic about how healthy we are going to be, but the truth is, as we get older, so do our bodies.

As part of the natural aging process, we may find ourselves needing assistance with daily life.



**LONG-TERM CARE INSURANCE CAN HELP PROVIDE YOU WITH THE MEANS TO PAY FOR A LIFESTYLE THAT WILL ALLOW YOU TO AGE GRACEFULLY IN ONE PLACE.**

### **IF I HAVE A DECENT SIZE NEST EGG, CAN'T I JUST PAY FOR LONG-TERM CARE SERVICES MYSELF?**

Sure, you might be able to pay for it yourself, but quality long-term care is not cheap. In fact, it is very expensive and, for most of us, can drain a lifetime of savings.

- The national average for a private room in a nursing home can cost an average of **\$203 per day**, or over **\$74,000 annually**, and a visit by a home health aide averages \$20 per hour.<sup>1</sup>
- It is estimated that the average annual cost of nursing home care in the U.S. will rise to as much as \$190,000 a year in 30 years, and that's just for one person.

Many of us underestimate the costs of long-term care services and could end up depleting our retirement savings and income.

With long-term care insurance, you may be able to offset the cost of long-term care services without exhausting your assets or savings. It helps provide options and choices without sacrificing your lifestyle, or that of your loved ones. You have worked too hard to lose everything to pay for long-term care services.



### ***WON'T MY HEALTH INSURANCE OR MEDICAL AND MEDICARE PAY FOR LONG-TERM CARE SERVICES?***

The fact is, many people mistakenly believe that they are covered for long-term care services when they are not.

The reality is that since long-term care is not considered medical care, most health plans don't pay for it. But perhaps the biggest misconception about long-term care is that the government will pay for it.

Medicare will cover some health care costs for retirees, but only what is considered "medically necessary." It was not designed to pay for extended long-term care and should not be counted on as a resource to meet this need.

MediCal is the Federal-State health insurance program designed to pay for nursing home care for those who are very poor. MediCal dictates the type, amount, and location of care and can only be used in limited cases to pay for an assisted living/residential health care facility or home health care.

*Would you want your children to suddenly have to direct their resources toward your care?*

### ***HOW ABOUT MY CHILDREN, CAN'T THEY TAKE CARE OF ME?***

When you consider this option, have you thought about the real consequences?

If the care is for an extended period of time, could your children handle the stress on themselves or other members of their family? Do you want your children to have to pay for your care knowing they may be sacrificing their retirement plans or your grandchildren's college fund? After asking these questions, many people realize that, ultimately, their children should not be counted on for their long-term care needs. In fact, for many, the sole reason they purchase long-term care insurance is to avoid becoming a financial or emotional burden to their children.

### ***WHEN IT COMES TO LONG-TERM CARE INSURANCE, IT'S IMPORTANT TO DETERMINE WHAT'S RIGHT FOR YOU***

By now, you probably have a basic understanding of long-term care and the importance of long-term care insurance. Prudential understands that when it comes to buying insurance, everyone has a unique situation.



**WITH PRUDENTIAL'S LONG-TERM CARE INSURANCE, LTC3,<sup>SM</sup> YOU CAN TAILOR YOUR POLICY TO MEET YOUR SPECIFIC NEEDS AND RESOURCES. THAT'S WHAT I WANT FROM MY LTC.**

THIS SECTION WILL ANSWER SOME OF YOUR QUESTIONS ABOUT WHAT A PRUDENTIAL LTC3<sup>SM</sup> POLICY PROVIDES

**LTC3, LONG-TERM CARE INSURANCE FROM THE PRUDENTIAL INSURANCE COMPANY OF AMERICA—WHEN SECURITY, FLEXIBILITY AND LIFESTYLE ARE IMPORTANT**

Prudential's long-term care insurance helps give you the flexibility you want and the protection you need. Understanding the different features of LTC3 will help you make informed choices, have greater control and feel more secure about your future. In designing your policy, you should work closely with a knowledgeable and experienced agent who will explain and guide you through the various features and options.<sup>2</sup> The following pages explain the different components that will help you design the long-term care insurance policy that best meets your needs.

The first section, *Base Plan*, tells you about the features that are built in to every LTC3 policy. The second section, *Base Plan Options*, describes features that are also built in, but require choices to help tailor the policy to meet your particular needs. Finally, the *Plan Enhancements* section explains the different benefits that you can add on to further customize your LTC3 policy.

BASE PLAN

**WHERE CAN I RECEIVE LONG-TERM CARE SERVICES AND HOW MUCH COVERAGE WILL I HAVE TO COVER THESE SERVICES?**

Every Prudential LTC3 policy provides benefits for care in a facility or for care in your home. You choose the benefit amount and length of time when you design your policy.

With LTC3, you choose your daily benefit amount, from \$100 to \$500, to cover the following services and the length of time you will receive benefits (2, 3, 4, 5, 6, 10 years, or unlimited):

FACILITY CARE	HOME CARE
<ul style="list-style-type: none"> <li>■ Nursing Home</li> <li>■ Adult Foster Care/ Board and Care Facility</li> <li>■ Assisted Living/ Residential Care Facility</li> <li>■ Bed Reservation</li> <li>■ Respite Care</li> <li>■ Hospice Care</li> </ul>	<ul style="list-style-type: none"> <li>■ Adult Day Care</li> <li>■ Homemaker Services</li> <li>■ Personal Care Services</li> <li>■ Home Health Care</li> </ul>

**WHAT IF I PREFER TO RECEIVE CARE AT HOME?**

When it comes to providing quality long-term care coverage, helping you to stay at home is one of the top priorities of LTC3. That's why every Prudential LTC3 policy helps to offset the cost of long-term care services received in your home or in a facility. Each policy also offers the Home Support Services Benefit—designed to cover items that, while not direct services, are important in helping you maintain your lifestyle and independence. This feature provides benefits for:

<ul style="list-style-type: none"> <li>■ Assistive and Technological Devices</li> <li>■ Durable Medical Equipment not covered by Medicare</li> <li>■ Home Modifications</li> </ul>	<ul style="list-style-type: none"> <li>■ Transportation Services</li> <li>■ Emergency Medical Response Systems</li> <li>■ Caregiver Training</li> </ul>
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Over a lifetime, the Home Support Services Benefit equals 50 times the Facility Daily Benefit and may be used during the Benefit Waiting Period. Use of this benefit will reduce your Lifetime Maximum.



### **WHAT HAPPENS IF DOWN THE ROAD I WANT TO RECEIVE INFORMAL CARE IN MY HOME?**

Every Prudential LTC3 policy has the new Cash Alternative Benefit built in. If you selected the Daily or Monthly Reimbursement Option,\* the Cash Alternative feature allows you to choose a cash payment of 50% of your Home Care Daily Benefit in lieu of reimbursement. If you are eligible for benefits, you may elect to be reimbursed for eligible services up to the full amount of Home Care you selected or receive the 50% cash each month, as you see fit. You may use the cash payment to address your long-term care needs in any manner you choose—compensating a close relative\*\* who is providing Personal Care or Homemaker Services, for transitional expenses related to your Chronic Illness that are not specifically covered, you have exhausted a benefit that has a calendar year maximum (e.g., Bed Reservations, Respite Care, Private Care Consultant), or you've exhausted a benefit that has a lifetime benefit (e.g., Home Support Services, International Coverage)—and you are not required to submit any bills.

The Cash Benefit Option Rider\* provides an even greater degree of flexibility and is discussed in the next section.

### **HOW DO I CHOOSE A LONG-TERM CARE PROVIDER OR FIND OUT HOW TO SUBMIT A CLAIM?**

If the need for long-term care arises, most policyholders and their families need help in understanding and adjusting to the changes long-term care can bring. This help falls into two categories: process and personal. Prudential's LTC3 recognizes both.

#### ***Benefit and Resource Service***

Process assistance, called Prudential Benefit and Resource Information Service, is arranged by Prudential. It may involve such issues as making a claim, establishing eligibility and generally helping you through the administrative requirements of accessing benefits under your policy efficiently and effectively.

\*The Monthly Reimbursement Option and the Cash Benefit Option Rider are both available at an additional cost.

\*\*See Policy Exclusion #7 on page 22.

If you need help finding a long-term care provider, Prudential has contracted with CareScout, a nationwide eldercare organization that can provide access to valuable information to help you choose a long-term care provider to meet your needs. At no additional cost, CareScout will have a detailed discussion with you about your needs and preferences and will prepare a customized information guide. The guide includes information on long-term care providers and other resources. It can also provide valuable information on facilities or agencies in your area, including demographic profiles of particular long-term care providers. In some cases, CareScout can help save you money by providing you with information about valuable health-care provider discounts.

This benefit does not reduce the Lifetime Maximum Benefit and may be used during the Benefit Waiting Period.

#### ***Private Care Consultant***

Personal assistance, provided under the Private Care Consultant Benefit, involves supporting policyholders and their families on a level that goes beyond direct provision of care. They provide practical support for your emotional needs and the needs of your family. Assistance may include counseling, education and personal oversight of care quality. Your Private Care Consultant is retained solely by you and is not affiliated with Prudential.

This benefit equals up to 20 times the Facility Daily Benefit per calendar year, is not subject to the Benefit Waiting Period and it will not reduce your Lifetime Maximum Benefit.

### **DO I HAVE TO PAY PREMIUMS ONCE I GO ON CLAIM?**

After you have satisfied your Benefit Waiting Period, the *Waiver of Premium* feature means that premiums will be waived on the day following the date you satisfy your Benefit Waiting Period. Premiums will continue to be waived as long as you are eligible for benefits under your policy. Premiums will not be waived if you are only receiving Hospice Care, Respite Care, Home Support Services or with Prudential Benefit and Resource Information Service, all of which are not subject to the Benefit Waiting Period.



### **WHAT IF I'M RECEIVING CARE IN A FACILITY BUT NEED TO LEAVE TEMPORARILY, WON'T THEY GIVE MY BED TO SOMEONE ELSE?**

If you are in a long-term care facility and for any reason you must leave for a temporary period (up to 60 days per year), and there is a charge to hold your bed, the *Bed Reservation Benefit* will cover this expense up to the stated policy limits. This means that the facility can hold your bed for you until you return.

The Bed Reservation Benefit will reduce the Lifetime Maximum Benefit and is subject to a Benefit Waiting Period. You may not claim both Bed Reservation and other service care benefits on the same day.

### **WHAT IF I NEED CARE WHEN I AM OUT OF THE COUNTRY?**

The world has become a smaller place. To meet the needs of diverse and geographically dispersed families, you can receive reimbursement for eligible services up to 100% of your Facility Daily Benefit for facility care or 100% of the Home Care Daily Benefit for care at home, for up to 365 days outside the United States. International coverage will reduce the Lifetime Maximum Benefit and is subject to a Benefit Waiting Period.



### **WHAT ABOUT FUTURE CHANGES IN THE WAY I MIGHT RECEIVE LONG-TERM CARE SERVICES?**

As the need for long-term care has grown, so have the number and types of services available to meet that need. Thirty years ago, nursing homes dominated the long-term care industry and home health care was scarce. Ten years ago, nursing homes were still the usual care setting, but home care and choices for care in the community had grown tremendously. Today, an emerging trend is the popularity of assisted living/residential health care facilities which are changing the way long-term care is delivered. Tomorrow there may be other trends and services.

Because it is impossible to predict what new forms of long-term care are likely to be developed in the years ahead or what your specific needs might be, Prudential's LTC3 *Alternate Plan of Care* feature helps make sure your policy remains up-to-date and adaptable by making allowances for new or emerging forms of care. Subject to Plan of Care requirements and qualification under federal tax regulations, Prudential will consider such services on a case-by-case basis.

### **CAN MY PREMIUM RATES EVER BE INCREASED?**

Although we take great pride in our ability to set stable premiums, your rates may go up based on the experience of all policyholders with a policy similar to yours. To the greatest extent possible, Prudential is committed to protecting its policyholders. Therefore, in the event that premium increases occur and go beyond certain set percentages and you feel you cannot maintain coverage, the *Contingent Non-Forfeiture Benefit* provides you with two options:

1. **Reduced benefits** at the premium in effect prior to the increase; or
2. A lesser Lifetime Maximum Benefit equal to **(a) total premiums paid or (b) 30 times your Facility Daily Benefit.**

This benefit is available to you if you have not elected the optional Non-Forfeiture Benefit Rider.



## WHAT EXACTLY DOES “POOL OF MONEY” MEAN?

This is the **total amount of money available** to you under your long-term care insurance policy. When you purchase your policy, the pool of money is calculated by multiplying your initial Facility Daily Benefit (explained later) times the number of days in your benefit period. After the value of the pool is first established, claims payments and inflation protection increases will affect the pool amount.

For example, if you selected a Facility Daily Benefit of \$300 and a Lifetime Maximum Benefit of 5 years, your beginning “pool” would be \$300 X 365 days X 5 years or **\$547,500**. It’s important to note that even though you may have selected a 5-year Lifetime Maximum Benefit, should you have money left in your pool after 5 years, you would still be eligible for benefits **until your pool of money is depleted**. Conversely, if you chose the 150% Home Care option, you could spend down your pool of money more quickly and shorten your selected benefit period.

What is the average cost of nursing home care in your area?

## WHAT HAPPENS TO MY “POOL OF MONEY” IF I BEGIN RECEIVING BENEFITS BUT THEN RECOVER?

With the **Restoration of Benefits feature**, if you received benefits under your policy and later recover to the point that you have no more than one deficiency in your Activities of Daily Living (commonly referred to as ADLs) for at least six consecutive months, your full Lifetime Maximum Benefit will be restored. Restoration can occur only once per lifetime and is not available with the selection of the Unlimited Lifetime Maximum.

## HOW WILL I KNOW IF I AM ELIGIBLE FOR BENEFITS?

To be eligible for benefits, you must be certified by a licensed health care practitioner as having a chronic illness or disability. This is defined as a loss of the ability to perform (without substantial assistance) at least **two ADLs**, due to a loss of functional capacity. These are **bathing, continence, dressing, eating, toileting and transferring**. This loss must be expected to last at least 90 consecutive days.

A Severe Cognitive Impairment which requires supervision to protect your health and safety can also be considered a chronic illness or disability.

After your Chronic Illness or Disability is certified, a Plan of Care must be developed by a licensed health care practitioner, consistent with your needs.

## BASE PLAN OPTIONS

### FOR HOW MANY YEARS DO I WANT TO RECEIVE BENEFITS?

**Options** 2, 3, 4, 5, 6, 10 years, or unlimited.

Once care begins, your choice of a specific benefit period will determine how long your coverage could last.

It’s important to note that most people do not move directly into a nursing home. Many go there only after they have first been receiving long-term care services in their home or in an assisted living facility/residential health care facility. You should also consider your current health and take a close look at your family’s health history to determine if you may be genetically predisposed to any conditions.

Finally, you might also want to think about what portion of the risk you are willing to assume or “co-insure.” In other words, how long and how much are you willing to pay “out-of-pocket” for services? Remember, when it comes to long-term care insurance, some coverage is always better than none.







**ONCE YOU START COUNTING THE DAYS TOWARD SATISFYING YOUR BENEFIT WAITING PERIOD, EVEN IF YOU DO NOT RECEIVE SERVICES ON CERTAIN DAYS, THEY WILL QUALIFY. AND, THERE ARE NO PROVIDER BILLS TO SUBMIT OR CLAIMS TO KEEP TRACK OF TO SATISFY THE BENEFIT WAITING PERIOD.**

### HOW MUCH COVERAGE DO I WANT IN A FACILITY?

**Options** \$100 to \$500 per day.

The amount of insurance benefit you receive in dollars per day is called the Facility Daily Benefit. This is the maximum dollar amount of benefits available to you on a given day.

- An assisted living/residential care facility—where you receive personal care services by a trained staff in a facility designed to maximize independence and quality of life.
- A nursing home—where you can receive all levels of care including skilled and custodial.

You may choose from a benefit of \$100 to \$500 per day in increments of \$10. The amount of benefit you choose should be determined by how much you think it might cost you per day to stay in a facility and how much you think you might be willing to pay on your own. Ask your agent to help you find the costs of facilities in the area in which you believe you will be using long-term care.

### HOW MUCH COVERAGE DO I WANT IN MY HOME?

**Options** 50%, 75%, 100%, or 150% of the Facility Daily Benefit.

For many of us, the opportunity to stay in our own homes for as long as possible is an important part of our overall long-term care plan. The Home Care Daily Benefit is the maximum dollar amount of benefits available to you on a given day toward your home care services which can take place in:

- Your own home—where you can receive care from a licensed nurse or physical, occupational or speech therapist. Services might also include care from a home health aide or homemaker services from an agency.
- An adult day care center—where you receive a program of care in a center during the day and then return to your own home at night.

*Would you rather receive care in a facility or in your home?*

### HOW WOULD I LIKE TO RECEIVE MY BENEFITS FOR HOME CARE?

Prudential's long-term care insurance, LTC3, offers the following options designed to meet different needs and expectations when you meet the benefit eligibility criteria.

**Daily** This option enables you to receive reimbursement for qualified long-term care service expenses up to an amount equal to your Home Care Daily Benefit.

**Monthly Option\*** Under the Monthly Benefit option, there is no daily limit to the amount you may claim for the reimbursement of qualified long-term care service expenses. You can receive reimbursement up to your total monthly benefit calculated by multiplying your Home Care Daily Benefit by the number of days in the month.

**Cash Benefit Option<sup>3\*</sup>** Under this option, each month you can be paid a Cash Benefit equal to your Home Care Daily Benefit times the number of days in the month. This option offers you the maximum amount of flexibility. You do not have to submit bills or prove receipt of qualified long-term care services.<sup>4</sup>

\*The Monthly Reimbursement Option and the Cash Benefit Option Rider are both available at an additional cost.



## **HOW LONG DO I WANT TO WAIT BEFORE I START RECEIVING BENEFITS?**

**Options** 30, 60, 90, 120, 180, or 365 calendar days.

Like a deductible, the Benefit Waiting Period is the length of time you are willing to wait before becoming eligible to receive benefits. Generally, selecting a longer Benefit Waiting Period, like choosing a larger deductible, will result in lower premiums.

Prudential's long-term care insurance, LTC3, comes with a built-in calendar day Benefit Waiting Period. This means that from the date your chronic illness or disability is certified, each day will count towards satisfying the Benefit Waiting Period, whether or not a qualified long-term care service is used.

You can select a Benefit Waiting Period of 30, 60, 90, 120, 180, or 365 days. The days are cumulative and the selected Benefit Waiting Period needs to be met only once in a lifetime. The Benefit Waiting Period does not need to be satisfied to use Respite Care, Home Support Services, Private Care Consultant or Hospice Care benefits.

## **HOW CAN I PROTECT MYSELF AGAINST INFLATION AND THE RISING COSTS OF LONG-TERM CARE SERVICES?**

The cost of nearly everything we purchase tends to increase over time. Long-term care services are no different. The national average daily cost of a private room in a nursing home is \$203 or more than \$74,000 a year.<sup>5</sup> Coverage bought today but not used for 20 years, may not provide the protection it did originally. Inflation protection\* can help you keep pace with the rising costs of health care services and maintain the worth of your insurance.

With Prudential's long-term care insurance, LTC3, you may select one of the five different inflation protection options described below. Whichever option you select, unless option limits have been reached, offers and increases will continue even if you are receiving benefits. The options are listed in order from the least to the most inflation protection.

**None** The Base Plan has no inflation protection which means that your benefits will not increase over time.

\*Available at an additional cost.

**Guaranteed Purchase Option** Every three years your policy benefits will increase without having to provide evidence of insurability. Each increase is 5% of the current Facility and Home Care Daily Benefit amounts, along with the Policy's Lifetime Maximum, compounded annually over a three-year period. The increase to your policy benefits will be made even if you are on claim. If you do not want the increase to take effect, you must decline, in writing. Any declinations will not affect future offerings.

**5% Automatic Simple Inflation Benefit Option** On the policy anniversary date, your Facility and Home Care Daily Benefits along with the Policy's Lifetime Maximum will automatically increase by 5% of the benefit amounts selected when the plan was originally purchased.

**5% Automatic Compound Inflation Benefit 2X Maximum Option** On each anniversary date, your Facility and Home Care Daily Benefits along with the Policy's Lifetime Maximum will increase by 5% of your previous year's benefit amounts. When the Policy benefit amounts have doubled, in 15 years, it will cease to increase.

For example, assume your original Facility Daily Benefit was \$100. Through yearly compounding, it reaches \$200. Under this option, your Facility Daily Benefit would remain at \$200 for the duration of the policy.

**5% Automatic Compound Inflation Benefit No Maximum Option** On each policy anniversary date, your Facility and Home Care Daily Benefits along with the Policy's Lifetime Maximum will automatically increase by 5% of your previous year's benefit amounts.

## **ARE THERE ANY DISCOUNTS AVAILABLE?**

Under certain circumstances, you could be eligible for the following discounts.

### **Partner Discount**

If both you and your spouse or partner are covered under a Prudential long-term care insurance policy, both of you will receive a 30% discount. If your spouse or partner does not have Prudential coverage, you are eligible for a 15% discount. Persons potentially eligible under this discount include married couples, siblings, parent/child, other familial relationships, domestic partners or any two individuals of either sex who have established a serious and committed relationship, are over the age of 18, have lived together for at least 12 months and are financially interdependent.



## **PREMIUM PAYMENT OPTIONS**

**Lifetime** Premium payments are made for the life of the policy.

**10-Year Paid-Up** Premium payments are accelerated so that your policy will be paid-up after 10 years. This option is available to those ages 40 to 75. This feature is not available with the Guaranteed Purchase Option Rider.

**Paid-Up At Age 65** Premium payments are accelerated so that your policy will be paid-up when you reach age 65. This option is not available to those over age 55 or with the Guaranteed Purchase Option Rider.

**Premium Reduction At Age 65** Premium payments are paid until age 65, at which time the premiums will be reduced by 50%.

Premiums may be paid annually, semi-annually, quarterly or on a monthly basis. Monthly payments are made by electronic funds transfer.

## PLAN ENHANCEMENTS

Because everyone has different needs and resources, the following benefits are available for an additional cost.

### **SHARED CARE BENEFIT**

If you and your spouse or partner have identical plans, and if one individual exhausts the benefits, then that individual may access the benefits of the other person. If the other spouse or partner's limit is used up, an additional 2-year benefit period policy can be purchased. If one of the individuals dies before exhausting his or her Lifetime Maximum Benefit, the remaining pool of money would be available to the surviving spouse or partner.



### **RETURN OF PREMIUM UPON DEATH**

With this option, regardless of age, upon death, a refund for the total amount of the premiums (less any benefits paid) will be paid. This option is only available if elected when your policy is initially issued.

### **SURVIVOR WAIVER OF PREMIUMS BENEFIT**

This option is only available if both spouses or partners have purchased a Prudential long-term care insurance policy. With this benefit, if after 10 years of paying premiums and, if no claims were made against either policy, one party dies, the survivor's premium will be permanently waived.

If one spouse or partner's policy lapses, the option shall be voided and premiums will be adjusted for the other spouse or partner.

### **JOINT WAIVER OF PREMIUMS BENEFIT**

If both you and your spouse or partner have a Prudential long-term care insurance policy and one of you qualifies for Waiver of Premium, the other's premium will be waived as well. Premiums will resume on the first day after the chronic illness or disability ends.

If one spouse or partner's policy lapses without using benefits under this option, the option shall be voided and the premium adjusted for the remaining spouse or partner. This option must be purchased at the time of, or within six months of, the original issue date.

### **NON-FORFEITURE BENEFIT**

If after being in force for at least three years, your policy ends due to non-payment of premiums for any reason, your coverage may be extended. While this benefit varies by state, in general the **Rider will** provide coverage (pool of money) equal to 30 times your current Facility Daily Benefit or your total premiums paid minus any claims paid, whichever is greater.

### **PRUDENTIAL—STRENGTH AND STABILITY**

When you're looking to make a decision such as long-term care insurance, you want to make sure the company you choose has the strength and stability to meet your needs and expectations. Prudential is one of the largest financial services institutions in the U.S. and has been in business for over 125 years. We have sold long-term care insurance for over 20 years. You can be confident Prudential will be there when you need us the most. For our most recent ratings, please visit our ratings webpage at: [www.investor.prudential.com/ratings.cfm](http://www.investor.prudential.com/ratings.cfm)

### **TAKE IT ONE STEP FURTHER**

Now that you have had the opportunity to review the features of LTC3, we trust you'll find it to be the right solution to your long-term care needs. Take the next step and put your long-term care worries to rest—today.





## **POLICY EXCLUSIONS**

This is a general list of exclusions; however, state variations may apply. Please see the **Outline of Coverage** for a complete listing of exclusions which apply to your state of residence. Your Policy is designed to provide benefits to pay for your Qualified Long-Term Care Service needs. Benefits will NOT be payable if any of the following situations apply:

1. Illness, treatment or medical conditions arising out of
  - a) **War or an act of war**, whether declared or undeclared, while you are insured; or
  - b) Your participation in a felony, riot or insurrection.
2. Treatment provided in a government facility, unless payment of the charge is required by law or services provided by any law or governmental plan under which you are covered. This does not apply to a state plan under MediCal or to any law or plan when, by law, its benefits are excess to those of any private insurance program or other non-governmental program.
3. Charges for services or supplies for which no charge would be made in the absence of insurance.
4. Charges for care or treatment provided outside the United States except as described in the **International Coverage benefit**.
5. Charges for expenses reimbursable under Medicare or for expenses that would be reimbursable under Medicare but for the application of a deductible or coinsurance amount.
6. Benefits under your Policy may be reduced if Prudential also pays benefit for Eligible Charges under any other Prudential Long-Term Care Insurance Policy.
7. Charges for services or supplies furnished and charged for by a close relative other than a licensed professional who provides covered services within the terms of his or her licensure. Close relatives include your spouse, your children, your parents, and your siblings.
8. Charges in connection with treatment of **alcoholism and drug addiction**.

<sup>1</sup> “Long-Term Care Facility Costs — A Nationwide Quantitative Evaluation of U.S. Facilities.” Prudential Financial Global Market Research, April 2006, [www.prudential.com/insurance/longtermcare](http://www.prudential.com/insurance/longtermcare).

<sup>2</sup> Premium will vary with choice of benefit selected.

<sup>3</sup> Since benefits paid under this rider are made without regard to costs incurred by you, part of the benefit could be considered taxable income. If the benefits paid under this rider are in excess of the per diem limit as prescribed by law, they will be considered taxable income. This per diem limit is indexed for inflation. You should consult your tax advisor with respect to the tax implications of ownership of a long-term care insurance policy. The 2005 per diem limit is \$240.

<sup>4</sup> Not available with the Unlimited Lifetime Maximum option or the 150% Home Care option. The purchase of this Rider will negate the Cash Alternative feature in your policy.

<sup>5</sup> “Long-Term Care Facility Costs — A Nationwide Quantitative Evaluation of U.S. Facilities.” Prudential Financial Global Market Research, April 2006, [www.prudential.com/insurance/longtermcare](http://www.prudential.com/insurance/longtermcare).

