



INSURANCE MARKETPLACE STANDARDS ASSOCIATION

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LTC3<sup>SM</sup> Long-Term Care Insurance policy is issued by **The Prudential Insurance Company of America**, 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. Prudential is authorized to transact business in all U.S. states and the District of Columbia. Product availability varies by state. Coverage is issued under policy number GRP 113096 (In North Carolina, coverage is issued under GRP 113640 and in Virginia coverage is issued under policy number 113327), however policy numbers may vary by state.

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This is a solicitation for long-term care insurance.



The Prudential  
Insurance Company  
of America

Long-Term Care  
Insurance

YOU HAVE **WORKED** HARD  
**TO BUILD A FUTURE** FOR  
YOURSELF...**YOUR FAMILY...**



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## **WHAT IS THE GREATEST UNINSURED RISK AMERICANS FACE?**

Insurance has always been one of the ways to help guard against risk. Most of us have life insurance, homeowner's insurance and automobile insurance policies. However, one area often overlooked is long-term care insurance.

## **I'M NOT SURE WHAT LONG-TERM CARE IS.**

You may be aware of what long-term care is if you have had to help your parents, grandparents or other relatives confront this need. As life expectancy increases and as the "baby boom" generation moves into its' elder years, long-term care is expected to be needed by larger portions of the population.<sup>1</sup>

Long-term care services generally fall into two categories: skilled care, provided when recovering from a medical treatment; and custodial (personal) care, which is care that maintains the Activities of Daily Living (ADLs).

## **WHAT DOES LONG-TERM CARE INSURANCE COVER?**

Long-term care insurance covers services that help people live at home or outside the home in an assisted living/residential care facility or nursing home. Some policies pay for medical equipment, home modification and services performed by family caregivers.

## **BUT WHY IS LONG-TERM CARE INSURANCE SO IMPORTANT?**

For many, long-term care insurance is an economical way to help pay for long-term care services, especially when purchased through your organization.

Long-term care insurance helps protect your freedom of choice. You can remain in control over where you are going to receive long-term care—whether it be in your own home, an assisted living/residential care facility or a nursing home.

Long-term care insurance is a way to help manage the significant financial risks that long-term care can impose.

Long-term care costs have skyrocketed with a private room in a nursing home costing an average of \$203 per day, or about \$74,000 annually.<sup>2</sup>

Unfortunately, many people underestimate the cost of long-term care and end up using assets that they have built up over a lifetime.

## **BUT WHAT ABOUT MEDICARE OR MEDICAID?**

62% of adults ages 45 and older are unaware of the policies of Medicare, Medicaid or Disability income insurance with respect to long-term care.<sup>3</sup> Many of us mistakenly believe that Medicare or Medicaid will pay for our long-term care needs. Frankly, neither program was

designed for that purpose and should not be counted on as a resource to meet this need.

### **I THINK MY HEALTH PLAN COVERS LONG-TERM CARE.**

Take a careful look. Many people think they have coverage when they do not. Many of us can confuse long-term care insurance with other types of coverage such as disability income insurance provided by employers. This coverage is usually only available when you are working and will end at age 65 or upon retirement. And generally, since long-term care isn't considered medical care, most traditional health insurance plans won't pay for it. Don't be surprised to find out that your medical plan provides only very limited, if any, coverage for long-term care services.

LTC3<sup>SM</sup> long-term care insurance, underwritten by The Prudential Insurance Company of America (Prudential), is provided as an optional benefit through your organization. It may be an economical way for you to help protect your savings and assets and maintain your freedom of choice should you need long-term care services.

## **HOW MUCH DOES IT COST?**

The cost of a policy will vary depending on the type of services covered, amount of the benefit, the length of the waiting period for benefits to begin, and the length of the coverage. Other specific features and benefits such as inflation protection will also affect the cost.

Another important factor that influences the cost of a policy is age. The younger you are, in most cases, the lower the cost. For example, a 45 year-old could pay half of what a 60-year-old would pay for long-term care insurance. Once a policy is purchased, premiums cannot be increased solely because of age (rates can be increased on a rate class basis).

You'll be glad to know that through your organization you are eligible to receive a program discount. In addition, this policy belongs to you and you may continue the coverage even after you leave your organization.

## **PRUDENTIAL-AN INDUSTRY LEADER**

Today, whom you buy from can be just as important as what you buy. At The Prudential Insurance Company of America, our long-term care insurance, LTC3<sup>SM</sup>, offers flexibility and security from one of the largest financial services institutions in the U.S. We've been in business for over 125 years and you can rest assured, we will be there for you when you need us most.

- <sup>1</sup> Elizabeth Dietz and Jordan Pfunter, U.S. Dept. of Labor Bureau of Statistics: Compensation and Working Conditions Online, "Long-Term Care Insurance Gains Prominence," P.1, January 28, 2004.
- <sup>2</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>3</sup> Long-Term Care Insurance Survey. Roper ASW. September 2002. Executive Summary. P.1.