

Employee Guide

Planning for the future
with long-term care insurance





Long-Term Care Insurance issued by
The Prudential Insurance Company of America

You may be eligible for group discounts on long-term care insurance through your company's Employer Sponsored Program

This program offers coverage and discounts¹ to actively-at-work Employees, their Spouses/Partners, and other family members ages 18-79 (including Parents; Parents-in-law; Grandparents; Grandparents-in-law; Siblings; Aunts; Uncles; and Children).

You can make an informed decision about your coverage opportunity by following these three simple steps:

- 1 Understand the need for long-term care insurance**
by reviewing Section 1 of this guide.
- 2 Consider the reasons for purchasing LTC3SM coverage**
through your Employer Sponsored Program, as explained in Section 2.
- 3 Meet with the licensed Prudential Representative**
to discuss your coverage options and to request a no-obligation premium quote.

1. Subject to applicant approval based on underwriting guidelines. Rules governing Partner discounts may vary by state. For groups of 7 or more lives, Spousal/Partner discounts are available for programs where simplified underwriting may be available to actively-at-work Employees and Spouses/Partners ages 18-65.

The reasons for considering long-term care insurance are more compelling than ever

At a time when health care costs continue to skyrocket, the Government has made it clear: The responsibility for paying for long-term care falls on the individual.

That's why your employer has chosen to make LTC3 long-term care insurance available to you through an Employer Sponsored Program. This type of coverage could be important to your future security, since it helps pay for a class of services that are not covered by most health insurance policies: *ongoing care associated with a chronic illness or disability.*

The time to decide is now

When you purchase long-term care insurance at a younger age, you generally pay less than those who wait to buy—and you are less likely to have medical problems that may disqualify you from getting coverage.



Here are some of the important goals long-term care insurance may help you achieve

- **Help protect your assets and income**—The average annual cost for a private room in a nursing home ranges from \$48,180 (LA) to \$183,595 (AK), and costs are expected to increase nationally by an average of 3% to 5% per year.¹
- **Help you retain control of care decisions that can affect your quality of life**—With a long-term care insurance policy to help cover expenses, you'll have greater freedom to choose the type of care you'll receive.
- **Assist in meeting your needs without becoming a burden to others**—Having a long-term care insurance policy may reduce the chance you'll need to ask your children or other family members for financial support or assistance with daily needs.
- **Improve your ability to stay in your own home while receiving care**—Long-term care insurance can help pay for professional caregivers to supplement informal care from family or friends if you prefer to remain in your home. Most people would prefer to receive care in their own home, and long-term care insurance can help pay for that type of care.
- **Help avoid the possibility of becoming dependent on government assistance**—Keep in mind that Medicare is not designed to pay for extended long-term care, and Medicaid coverage usually won't start until your assets have been largely depleted. At that point, Medicaid will dictate the type, amount, and location of care, plus it can only be used in limited cases to pay for an assisted living/residential care facility or home health care. However, qualifications for Medicaid vary by state. Special rules may apply with regard to Partnership policies in certain states.

These are just a few of the goals Prudential LTC3 may be able to help you achieve. To learn about the benefits this long-term care insurance policy could provide, keep reading in Section 2...

1. "Long-Term Care Facility Costs — A Nationwide Quantitative Evaluation of U.S. Facilities". Prudential Financial Global Market Research, March 2008, www.prudential.com/insurance/longtermcare. For a copy of this report please call 1-800-732-0416.

Your Employer Sponsored Program can make planning for long-term care easier and more affordable

Here are some of the key reasons to consider purchasing an LTC3 policy through your Employer Sponsored Program...

✓ Up to \$300 per day to help pay for Facility Care

When you submit your application for coverage, you can choose a **Facility Care Daily Benefit** ranging from \$50 to \$300 (in \$10 increments) that can continue for your choice of benefit periods: 2, 3, 4, 5, or 6 years.

Facility Care benefits include:

- *Nursing Home*
- *Adult Foster Care/Board and Care Facility*
- *Assisted Living/Residential Health Care Facility*
- *Bed Reservation*
- *Respite Care*
- *Hospice Care*

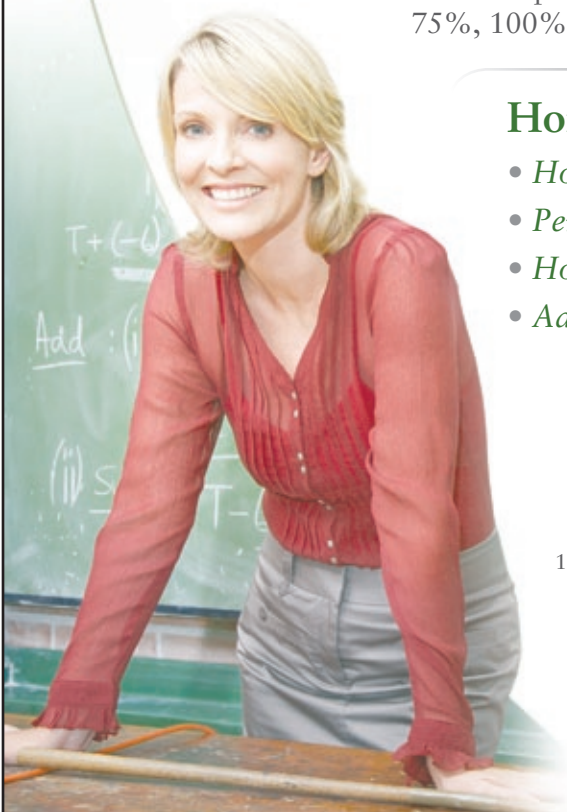
✓ An even higher amount, if desired, to help pay for home-based care

You can specify a **Home Care Daily Benefit** equaling 50%, 75%, 100% or 150%¹ of your Facility Care Daily Benefit.

Home Care benefits include:

- *Home Health Care*
- *Personal Care Services*
- *Homemaker Services*
- *Adult Day Care*

1. 150% Home Care Daily Benefit is available in most states with a Facility Daily Benefit of \$200 or less; in some instances, 150% Home Care Daily Benefit may not be available in AZ.



✓ A Calendar Day Elimination Period that doesn't require the submission of any bills

Your Calendar Day Elimination Period (i.e., the number of days you are willing to wait before becoming eligible to receive benefits) starts the very first day a chronic illness or disability is certified—with no need to submit any bills for care expenses. You can choose a Calendar Day Elimination Period of 60, 90, 120, 180, or 365 days.

✓ Optional inflation protection

To ensure that these benefits keep pace with inflation over the life of the policyholder, any one of these optional riders can be specified if desired:¹

- Guaranteed Purchase Option
- 3% Compound Inflation Rider—No Maximum
- 5% Compound Inflation Rider—2X Maximum
- 5% Compound Inflation Rider—No Maximum

✓ Discounts available for your extended family

Coverage discounts are available for Employees, Spouses/Partners, and Other Family Members through your Employer Sponsored Program (ESP) as follows:²

<p>5% ESP Discount for all applicants regardless of marital status</p>	<p>15% additional Spousal/Partner Discount when one Spouse/Partner is issued a policy</p>	<p>30% additional Spousal/Partner Discount when both Spouses/Partners are issued policies</p>
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✓ Coverage that follows you wherever you go

Since you are the individual owner of the policy, it remains in force whether you change jobs, retire or leave your current employer for any other reason, for as long as the policy premiums are paid.

1. Availability may vary by state.

2. Subject to applicant approval based on underwriting guidelines. In some states, the ESP discount may be greater than 5%. Rules governing Partner discounts may vary by state. For groups of 7 or more lives, Spousal/Partner discounts are available for programs where simplified underwriting may be available to actively-at-work Employees and Spouses/Partners ages 18-65.

Plus these built-in extras for added security

All LTC3 policies include a:

Cash Alternative Benefit

so policyholders can receive cash benefits without submitting bills

This is a unique built-in feature of every Prudential LTC3 policy which does not require additional premium. It provides a great deal of choice and flexibility at time of claim. At the end of each month that a policyholder is eligible for benefits, he/she can request a Cash Alternative Benefit equal to 40% of the Home Care Daily Benefit in lieu of reimbursements—with no restrictions on how the money is used.¹ For example, a policyholder could use the cash to reimburse unlicensed family members who help provide care.

Home Support Services Benefit

to help policyholders remain comfortably at home

Every LTC3 policy includes a Home Support Services Benefit equal to 50 times the Facility Daily Benefit that becomes available as soon as a chronic illness or disability is certified—with no Calendar Day Elimination Period. This benefit can help pay for assistive devices, home modifications, transportation services, caregiver training, and other needs that help make home-based care more practical and possible.

Private Care Consultant Benefit

to pay for expert direction and support for emotional needs

Policyholders can receive reimbursement equal to 20 times the Facility Daily Benefit when they hire a **Private Care Consultant** (i.e., a provider retained by the policyholder that is not affiliated with Prudential) to provide counseling, assist in caregiver training, oversee care quality or provide other consultative services. Reimbursement for these services can start immediately after a chronic illness or disability is certified with no Calendar Day Elimination Period.

International Coverage

for protection that follows policyholders around the world

LTC3 offers **International Coverage** that can provide benefits outside the U.S. in two different ways: Policyholders can be reimbursed for up to 75% of the Facility Daily Benefit or Home Care Daily Benefit for up to 365 days², plus they can access the Cash Alternative Benefit—with no time limit—until the Lifetime Maximum Benefit of the policy is reached.

1. This Cash Alternative Benefit is available when you select the Daily or Monthly Reimbursement Option. Part of the benefits could be considered taxable income if the benefits paid under this Rider are in excess of the per diem limit prescribed by law. Consult with a tax advisor for more information.
2. For NY policies, eligible services are reimbursed at up to 100% of the Facility Daily Benefit or Home Care Daily Benefit.

Restoration of Benefits to help encourage recovery

If a policyholder receives benefits and later recovers for at least six consecutive months, his or her full Lifetime Maximum Benefit will be restored. Unlike other insurers, Prudential offers this benefit even if the policyholder still has one deficiency in his/her Activities of Daily Living following recovery.¹

Alternate Plan Of Care Feature for new and emerging forms of care

Care options for the treatment of chronic disability or illness may continue to expand in the future. That's why every LTC3 policy includes an Alternate Plan of Care feature that may cover new and emerging forms of care which don't become available until years after the policy is issued.²

Waiver of Premiums Benefit to reduce the policyholder's burden at a time of need

If a policyholder becomes eligible to receive benefits due to a chronic illness or disability, all premium payments will be waived starting immediately after the Calendar Day Elimination Period has passed. Premium payments will continue to be waived until the first day the chronic illness or disability ends.

Bed Reservation Benefit to assist policyholders who temporarily leave a care facility

If a policyholder residing in a long-term care facility needs to leave temporarily for a hospitalization or any other reason, the insured can continue to receive the Facility Daily Benefit to help cover the cost of keeping his/her bed available during this time.

Prudential Long-Term Care Resource Center to help make the process of finding a quality provider easier

Prudential can help policyholders learn about the care resources available in their communities. At no additional cost, the Prudential Long-Term Care Resource Center will help:

- > Provide the policyholder with access to long-term care resources to help with his/her needs and preferences.
- > Prepare a customized information guide on long-term care providers and other resources, including information and profiles on facilities or agencies in the policyholder's area when available.
- > In some cases, Prudential can help save the policyholder money by providing information about valuable health-care provider discounts.

1. Restoration can occur only once per lifetime and is not available with the selection of the Unlimited Lifetime Maximum.

2. Future allowances for new or emerging forms of care may be made under Prudential's Alternate Plan of Care feature. Subject to Plan of Care requirements and qualification under federal tax regulations, Prudential will consider such services on a case-by-case basis.

Take the next step now

Request a meeting with the licensed Prudential representative now to discuss whether long-term care insurance is an appropriate consideration for you or other members of your extended family.

The representative will help you decide which of these Plan Options to include in your no-obligation premium quote

Quotes can be prepared using various combinations of these Benefit Plan Options:

Facility Daily Benefit	\$50 to \$300 (in \$10 increments)
Home Care Daily Benefit	50%, 75%, 100%, or 150% ¹ of Facility Daily Benefit
Benefit Period	2, 3, 4, 5, or 6 years
Calendar Day Elimination Period	60, 90, 120, 180, or 365 days
Benefit Payment	Daily; Monthly Rider; Cash Rider; Flexible Cash Rider
Inflation Protection Rider	None; Guaranteed Purchase Option; 3% Compound—No Maximum; 5% Compound—2X Maximum; 5% Compound—No Maximum

Also ask about these other Optional Riders that can be included in your no-obligation quote

- Return of Premium Upon Death
- Flexible Cash Benefit
- Non-forfeiture—Shortened Benefit Period
- Survivor Waiver of Premium
- Limited Payment²
 - > Paid Up at Age 65³
 - > 10-Year Paid Up⁴
 - > Premium Reduction at Age 65⁵
- Shared Care
- Facility Daily Benefit more than \$300
- Home Care Daily Benefit of 150% and Facility Daily Benefit of \$200+
- 30-Day Elimination Period
- Joint Waiver of Premium
- 10-Year Benefit Period
- Unlimited Benefit Period⁶

1. 150% Home Care Daily Benefit is available in most states with a Facility Daily Benefit of \$200 or less; in some instances, 150% Home Care Daily Benefit may not be available in AZ.

2. Availability may vary by state.

3. Paid Up at Age 65 not available to applicants age 55 and older.

4. 10-Year Paid Up: Applicant must be between ages of 40 and 75.

5. Premium Reduction at Age 65 not available to applicants age 60 and older.

6. Unlimited Benefit Period Buy-Up Option is not available in combination with the Cash Benefit Option.

Why Prudential?

Prudential is one of the largest financial services institutions in the U.S., has been in business for over 130 years, and has offered long-term care insurance for more than 20 years. You can be confident Prudential has the strength and stability to meet your needs and expectations.

*Put the strength and stability
of Prudential to work
for you now.*



ESP

EMPLOYER
SPONSORED
PROGRAM

Long-Term Care Insurance

POLICY EXCLUSIONS

Benefits will not be payable if any of the following situations apply:*

POLICY EXCLUSIONS MAY VARY BY STATE.

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; or c) Alcoholism and drug addiction. **
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 Medicaid 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 benefits for Eligible Charges under any other Prudential Individual Long-Term Care Insurance Policy.****

* Policy Exclusions based on charges for services or supplies do not apply to benefits paid under the Cash Benefit Rider, nor cash benefits paid under the Flexible Cash Benefit Rider or the Cash Alternative Benefit.

** In Louisiana and Vermont benefits would not be payable for treatment of alcoholism and drug addiction.

*** In North Carolina, treatment provided in a government facility (unless otherwise required by law). Services for which benefits are available under Medicare (unless otherwise required by law) or under any other governmental program (except Medicaid). Services or supplies for the treatment of an Occupational Injury or Sickness which are paid under the North Carolina Workers' Compensation Act only to the extent such services or supplies are the liability of the employee, employer or worker's compensation insurance carrier according to a final adjudication under the North Carolina Workers' Compensation Act or an order of the North Carolina Industrial Commission approving a settlement agreement under the North Carolina Workers' Compensation Act.

**** Does not apply to residents of North Carolina.

LTC3SM 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. The Prudential Insurance Company of America is authorized to conduct business in all U.S. states and the District of Columbia. All insurance policies/options may not be available in your state. Coverage is issued under policy number GRP 113096 (In North Carolina, coverage is issued under policy number GRP 113640 and in Virginia coverage is issued under policy number GRP 113327); however, policy numbers may vary by state. The Prudential Insurance Company of America is a Prudential Financial company.

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This is a solicitation for long-term care insurance. An insurance agent may contact you.