


# Planning Ahead For Your Long-Term Care Needs





As an experienced leader in the long-term care market, The Prudential Insurance Company of America (Prudential) is dedicated to educating the public on the importance of planning for the future. You can rely on our commitment and our innovative 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 130 years.\* When you think of long-term care insurance, think of Prudential.

\*The Prudential Insurance Company of America 2009 Annual Report

# Long-term care insurance helps those who need long-term care services maintain choice and control.

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## 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 plans. It is planning ahead for our long-term care needs.

## 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.

## **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 when they might need long-term care, it is not just a problem for the “older generation.” 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, 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.

## 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.

It is a natural part of the aging process to find ourselves needing assistance with daily life.

## 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.

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 pay for long-term care services without exhausting your assets or savings. It helps give you freedom of choice 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.

*Long-term care insurance can help provide for a lifestyle that may allow you to age gracefully in one place.*



## Won't my health insurance or Medicaid 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."<sup>1</sup> It was not designed to pay for extended long-term care and should not be counted on as a resource to meet this need.

Medicaid is the Federal-State health insurance program designed to pay for nursing home care for those who are very poor. Medicaid dictates the type, amount, and location of care and can only be used in limited cases to pay for an assisted living/residential care facility or home health 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? 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. The Prudential Insurance Company of America understands that when it comes to buying insurance, everyone has a unique situation.

<sup>1</sup> Medically necessary is defined as "Services or supplies that are needed for the diagnosis or treatment of your medical condition, meet the standards of good medical practice in the local area, and aren't mainly for the convenience of you or your doctor. Source: Medicare - The official U.S. Government site <http://www.medicare.gov/Glossary/search.aspLanguage=English&SelectAlphabet=M>

This section will answer some of your questions about what a Prudential LTC3<sup>SM</sup> policy provides

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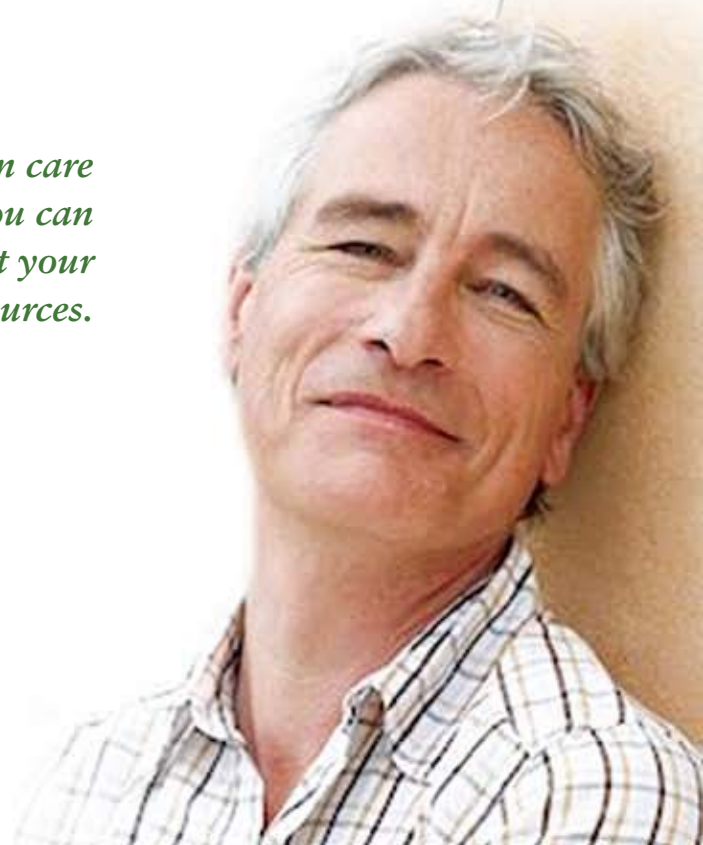
## LTC3 long-term care insurance issued by The Prudential Insurance Company of America — when security, flexibility and lifestyle are important

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 into 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.

*With Prudential's long-term care insurance, LTC3, you can tailor your policy to meet your specific needs and resources.*

<sup>2</sup> Premium will vary with choice of benefits selected. Riders available at an additional cost.



## Base Plan

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### 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 \$50 to \$500, to cover the following services and the length of time you will receive benefits (2, 3, 4, 5, 6, 10 or Unlimited years):

#### Facility Care

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

#### Home Care

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

### 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 provides payments for 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.

The Home Support Services Benefit provides benefits for:

- Assistive and Technological Devices
- Durable Medical Equipment not covered by Medicare
- Home Modifications
- Transportation Services
- Emergency Medical Response Systems
- Caregiver Training

Over a lifetime, the Home Support Services Benefit equals 50 times the Facility Daily Benefit and may be used during the Calendar Day Elimination Period. Use of this benefit will reduce your Lifetime Maximum Benefit.

## **What happens if down the road I want to receive informal care in my home?**

Every Prudential LTC3 policy has a Cash Alternative feature built in. If you selected the Daily or Monthly Reimbursement Option, the Cash Alternative feature allows you to choose a cash payment of 40% of your Home Care Daily Benefit in lieu of reimbursement. When 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 40% 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—such as for informal care provided by a family member—and you are not required to submit any bills. The Flexible Cash\* and Cash Benefit Option\* Riders provide an even greater degree of flexibility and are discussed in the next section.<sup>3</sup>

Prudential also recognizes that the informal care provided by the caregiver may need to be replaced by formal care, possibly, at an increased expense. Therefore, LTC3 provides up to 21 days per year under the Respite Care Benefit. Services claimed under this benefit will be paid up to the Facility Daily Benefit regardless of the site of care or the client's Home Care Daily Benefit. Benefits paid will reduce the Lifetime Maximum Benefit but are not subject to the Calendar Day Elimination Period.

\* Optional Rider available at an additional cost.

<sup>3</sup> Since benefits are paid without regard to costs incurred, part of the benefits could be considered taxable income if in excess of the per diem limit prescribed by law. You should consult with a tax advisor for more information.

## How do I choose a long-term care provider?

When 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. Prudential's LTC3 can help in these ways:

### Prudential Long-Term Care Resource Center

Prudential can help you learn about the care resources available in your community and make the process of finding a quality provider easier. At no additional cost, the Prudential Long-Term Care Resource Center will:

- Provide you with access to long-term care resources to help with your 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 your area when available.
- In some cases, we can help save you money by providing you with information about valuable health-care provider discounts.

### 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. A Private Care Consultant can 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 Calendar Day Elimination Period and will not reduce your Lifetime Maximum Benefit.

## Do I have to pay premiums once I go on claim?

After you have satisfied your Calendar Day Elimination Period, the *Waiver of Premium* feature means that premiums will be waived on the day following the date you satisfy your Calendar Day Elimination 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 Prudential Long-Term Care Resource Center services, all of which are not subject to the Calendar Day Elimination 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 Calendar Day Elimination 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 75%<sup>4</sup> of your Facility Daily Benefit for facility care or 75% 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 Calendar Day Elimination Period.

If you selected the Daily or Monthly Reimbursement Option, you can also use the Cash Alternative feature of your policy when receiving care outside of the United States to choose a cash payment of 40% of your Home Care Daily Benefit in lieu of reimbursement. For more information about this feature, please see page 9.

<sup>4</sup> In NY, eligible services are paid at up to 100% of your Facility Daily Benefit for facility care or 100% of the Home Care Daily Benefit for care at home.

## 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. In the past, nursing homes dominated the long-term care industry and home health care was scarce. Today, home care and choices for care in the community—including assisted living/residential care facilities—have grown tremendously.

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. 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.<sup>5</sup>

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.

<sup>5</sup> In Hawaii, a lesser Lifetime Maximum, with no further premium payment required. You will have 120 days following the premium due date to elect this option. Under this option, the same Daily Benefit amounts in effect at the time of lapse will be payable, but the Lifetime Maximum will be equal to the greater of the following items: (a) The total amount of premiums paid for your Policy. (b) 30 times the Facility Daily Benefit at the time of lapse.

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 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 6 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. You must be reassessed by a Licensed Health Care Practitioner so Prudential can verify you no longer have a chronic illness or disability.

## **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 consistent with your needs.

## Base Plan Options

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### For how many years do I want to receive benefits?

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

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

The number of years you choose for your Lifetime Maximum is used to calculate the total dollar value of your pool of money and the resulting benefit period. This calculation assumes that you will use the maximum dollar amount allowed each day when receiving qualified long term care services. The actual length of time your pool of money might last could be longer however, since it will vary based on the types of services used, the frequency these service are used and the cost of the services at the time you receive them.

When choosing your benefit period, 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 often better than none.

### How much coverage do I want in a facility?

**Options:** \$50 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 toward care services which can take place in:

- An assisted living/residential health care facility—where you receive personal care services by a trained staff including all levels, skilled and intermediate, 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 \$50 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 may be using long-term care.

## How much coverage do I want in my home?

**Options:** 50%, 75%, 100%, or 150%<sup>6</sup> 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.

## 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 Benefit:** 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 Benefit\*:** Under the Monthly Benefit Rider, 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.

*When you select the Daily or Monthly reimbursement option, you'll also have access to LTC3's built-in Cash Alternative feature described on page 9.*

<sup>6</sup> The 150% Home Care Daily Benefit is available in most states with a Facility Daily Benefit of \$300 or less. The 150% Home Care Daily Benefit may not be available in some instances in Arizona.

\* Optional Rider available at additional cost.

**Cash Benefit Option\*<sup>7</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. For example, you can use the money you receive to pay for informal care from a relative or friend.

**The Flexible Cash Benefit Option\*<sup>8</sup>:** For those seeking some of the flexibility of the Cash Benefit Option at a more affordable cost, this “50/50” monthly option pays a Cash Benefit equal to 50% of your Home Care Daily Benefit times the number of days in the month (similar to the Cash Benefit Option). The remaining 50% will be available to reimburse you for eligible home care services.

## How long do I want to wait before I start receiving benefits?

**Options:** 0, 30, 60, 90, 120, 180 or 365 calendar days.<sup>9, 10</sup>

An “elimination period” is the length of time you are willing to wait before becoming eligible to receive benefits. Generally, selecting a longer elimination period, like choosing a larger deductible, will result in lower premiums.

LTC3 comes with a **Calendar Day Elimination Period (CDEP)**. This means that from the date your chronic illness or disability is certified, each day will count toward satisfying the CDEP, whether or not a qualified long-term care service is used. Once you start counting the days toward satisfying your CDEP, 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 CDEP.

You can select a CDEP of up to 365 days. The days are cumulative and the selected CDEP needs to be met only once in a lifetime. The CDEP does not need to be satisfied to use Respite Care, Home Support Services, Private Care Consultant or Hospice Care benefits.

\* Optional Rider available at an additional cost.

7 Benefits payable under this Optional Rider are made without regard to costs incurred to you. Therefore, 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. You should consult with a tax advisor for more information concerning the tax implications.

8 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.

9 Not all options are available in all states. The 365-day Calendar Day Elimination Period is not available to Florida residents. Vermont residents may choose a Calendar Day Elimination Period of up to 90 days.

10 Prudential also offers a Waiver of Elimination Period for Home Care Rider. For more information, please see page 20.

## 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. Coverage bought today but not used for 21 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 six 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.

**Note:** The Base Plan has no inflation protection which means that your benefits will not increase over time. The inflation riders listed below are offered at an additional cost.

**Guaranteed Purchase Option (GPO):** Every 3 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, compounded annually over a 3-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. Premiums for the additional benefit amounts are based on your attained age and premium rate at the time of the increase. If you ever decide you'd prefer a different form of inflation protection, you can take advantage of a one-time opportunity to switch from GPO to any other Prudential automatic inflation rider on a guaranteed issue basis.<sup>11</sup> That means premiums will be based on your attained age at the time you make the switch with no medical exam required.

**5% Automatic Simple Inflation Benefit Option<sup>12</sup>:** 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.

<sup>11</sup> Available on a one-time basis up to age 79 at your policy anniversary (policy effective date).

<sup>12</sup> Not available to Indiana residents.

### **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, 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.

### **3%, or 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 3%, or 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<sup>13</sup> or partner<sup>14</sup> are covered under a Prudential long-term care insurance policy, both of you will receive a 30%<sup>15</sup> discount. If your spouse or partner does not have Prudential coverage, you are eligible for a 15%<sup>15</sup> discount. Persons potentially eligible under this discount include married couples, siblings, parent/child, other familial relationships and domestic partners.

<sup>13</sup> In New Jersey, the term spouse includes civil union partners and partners in same-sex relationships that provide substantially all the rights and benefits of marriage.

<sup>14</sup> In Montana, partner is defined as person of the same or opposite sex who meets all these criteria: He or she a) is over the age of 18; b) has lived with you for at least 12 consecutive months preceding the date of Application; c) has a continuous relationship with you; d) is not legally married; and e) is financially interdependent with you, which means that you and this person are jointly responsible for the cost of food and housing.

<sup>15</sup> Discounts may vary by state. Discounts are 25% and 10% respectively in New York.

## Premium Payment Options

### Lifetime<sup>16</sup>

Premium payments are made for the life of the policy.

- Available to policyholders of any age

### 10 Year Paid-Up

Premium payments are accelerated so that your policy will be paid up after 10 years.

- Available to policyholders ages 40 to 75
- This feature is not available with the Guaranteed Purchase Option Rider
- Residents of TN and NJ must elect the Non-Forfeiture—Shortened Benefit Period when choosing this option

### 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 who have elected the Guaranteed Purchase Option Rider.
- Residents of TN and NJ must elect the Non-Forfeiture—Shortened Benefit Period when choosing this option

### Premium Reduction At Age 65

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

- Available to policyholders age 60 or younger

*Premiums may be paid annually,  
semi-annually, quarterly or on a monthly basis.*

*Monthly payments are made by  
electronic funds transfer.*

<sup>16</sup> Please note that in NY, clients age 18–49 must choose some form of inflation protection when the Lifetime Payment Option is selected. Available inflation protection options for this age group include GPO, 5% Simple, 5% Compound 2X Max, 3% Compound No Max and 5% Compound No Max.

## Plan Enhancements

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

**Waiver of Home Care Calendar Day Elimination Period<sup>17</sup>:** Once you are certified as being eligible for care, a commencement date has been established, and a plan of care has been created and approved, you can begin receiving benefits at home without having to satisfy your Calendar Day Elimination Period. Additionally, for every day that you spend at home, Prudential will lower your Facility Calendar Day Elimination Period by one day.

After you have been certified as needing care, if the number of days that you spend at home equals or exceeds the number of days in your chosen Calendar Day Elimination Period, your Facility Calendar Day Elimination Period will now be considered satisfied in full.

**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's or partner's limit is used up, an additional 2-year benefit period policy can be purchased. The policy will be guaranteed issue with a 2 year Lifetime Maximum benefit and premiums are calculated at the insured's attained age. 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. If one party dies after 10 years of both parties paying premiums and no claims were made against either policy during that time, the survivor's premium will be permanently waived with the benefit.

<sup>17</sup> This rider is available with a Calendar Day Elimination Period up to 90 days. You must still satisfy your Calendar Day Elimination Period to claim benefits for other covered services as stated in your Policy. Days that are waived count toward the satisfaction of your Calendar Day Elimination Period for other covered services as stated in your Policy. Additionally you must still satisfy your Calendar Day Elimination Period before your premiums are waived under the Waiver of Premiums provision.

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 6 months of, the original issue date.

**Non-Forfeiture Benefit<sup>18</sup>:** If after being in force for at least 3 years, your policy ends due to nonpayment 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.

<sup>18</sup> In Maryland, 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. The Shortened Benefit Period will provide coverage equal to the greater of (1) 30 times the Facility Care Daily Benefit in effect at the time your policy ends or (2) The total amount of premiums paid for your policy, and any optional riders, while your policy is in effect.

## Prudential—strength and stability

When you're considering the purchase of a long-term care insurance policy, you want to make sure the company you choose has the strength and stability to meet your needs and expectations. The Prudential Insurance Company of America has been in business for over 130 years, and has offered long-term care insurance for more than 20 years.\*

## Take it one step further

Take the next step and put your long-term care worries to rest—today.



\* The Prudential Insurance Company of America 2009 Annual Report

## 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; 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 Long-Term Care Insurance Policy. (Does not apply to residents of North Carolina.)

\* Policy Exclusions based on charges for services or supplies do not apply to benefits paid under the Cash Benefit Rider.

\*\* In Oklahoma, part a of Exclusion 1 should be “War or an act of war while serving in the military service or any auxiliary unit attached thereto”. In North Carolina, part a of Exclusion 1 should be “War or an act of war, whether declared or undeclared, while you are insured, this does not include terrorism”.

\*\*\* 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 workers’ 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.

The Prudential  
Insurance Company  
of America

## Long-Term Care Insurance

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 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 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 Idaho coverage is issued under GRP 113096. In Louisiana coverage is issued under GRP 114231. In North Carolina, coverage is issued under GRP 113598; NC Franchise GRP 113640. In Oklahoma coverage is issued under GRP 113325. In Oregon coverage is issued under GRP 113363. In Pennsylvania coverage is issued under GRP 113172; PA Franchise 113570. In Virginia, coverage is issued under GRP 113327.); however, policy numbers may vary by state.

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

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