

# LONG TERM THINKING PROTECTION CARE

## ARE YOU LONG TERM READY?<sup>SM</sup>

Learn why Long Term Care Insurance is a smart option for you and your family.

Long Term Care Insurance is issued by The Prudential Insurance Company of America (Prudential).



### WHAT IS LONG TERM READY?

It's being ready for something you don't know will happen. It's realizing that a disabling accident or a serious illness can happen to anyone at any age. It's choosing the protection of long-term care insurance to help offset the cost of long-term care services.

### AM I LONG TERM READY?

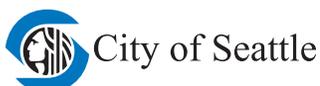
Not if you're counting on conventional health insurance, an HMO, or Medicare. These plans generally don't cover long-term care. Long Term Disability Insurance can help provide income protection when you cannot work and does not cover long-term care services, either. Medicaid (Medi-Cal) has strict limitations and requirements before covering long-term care expenses.

### HOW DO I GET LONG TERM READY?

Learn the facts about long-term care insurance. Find out what plans are available for you, what choices you have to make, what the plans cost, and how you can enroll. Turn the page.

# Decision Guide

Open Enrollment is  
September 4–September 21, 2012.



# The Decision is Yours.



## What you want vs. what you need: allocating your assets.

While everyone's situation is different, the challenge of setting aside and protecting assets is a reality that everyone faces. Based on recent statistics here are some of the reasons you'll want to protect the savings, investments, and other assets you have put together.

National median value of a single-family home: **\$176,900<sup>1</sup>**

Average IRA balance for the family head in 2007: **\$112,648<sup>2</sup>**

Average four-year college education for two children: **\$207,000<sup>3</sup>**

Now, consider this. As the result of an accident or illness you or someone close to you might require long-term care. Age is not the determining factor—but planning ahead will determine if you are prepared.

### The national average cost of that care could be **\$270,465.<sup>4</sup>**

When someone does require long-term care, the average length of care is three years. The savings it took you a lifetime to accumulate might be gone in just a few years.

### Cost of care for the state where you live.<sup>5</sup>

Keep this amount in mind when you review Step 1 in "Steps to Your Decision" on the next page.

Washington: **\$307,695**

## What decisions would you have to make to cover that **\$270,465<sup>4</sup>**?

- Be forced to refinance your home or use up your retirement savings?
- Ask your children to fund their own college education?
- Set aside \$200,000 or more to pay for long-term care?

## There is a better decision: you can be Long Term Ready.

Prudential Long Term Care Solid Solutions<sup>SM</sup> can help you offset the cost of long-term care services, help protect your assets, and give you and your loved ones added peace of mind. Based on your preferences you can choose coverage that would help offset a larger or smaller portion of the potential cost of long-term care.

As you continue to read this Decision Guide you'll learn more about the features and options that are available to meet your individual needs. On the next two panels you can fill in your choices for each of these key decisions:

1. Select Your Pool of Money (the money you would need for long-term care).
2. Choose an Inflation Protection Option.
3. Determine Your Monthly Rate.
  - Generally, the younger you are when you buy long-term care insurance, the lower the cost for the life of your insurance certificate.<sup>6</sup>
4. Calculate Discounts and Payment Options.
5. You are Ready to Enroll Online.

# Steps to Your Decision.



## 1 Select Your Pool of Money.

The total pool of benefit dollars available to you with long-term care insurance is called the Lifetime Maximum or your Pool of Money. The Pool of Money you select and where you choose to receive long-term care services\* determine the benefit amount you can claim each day. Keep in mind the average cost of care in your state.

Your Pool of Money	Rate Chart†	Rate Factor†
<input type="checkbox"/> \$109,500 @ \$100/day	A	1.0
<input type="checkbox"/> \$164,250 @ \$150/day	A	1.5
<input type="checkbox"/> \$219,000 @ \$200/day	A	2.0
<input type="checkbox"/> \$273,750 @ \$250/day	A	2.5
<input type="checkbox"/> \$328,500 @ \$300/day	A	3.0
<input type="checkbox"/> \$182,500 @ \$100/day	B	1.0
<input type="checkbox"/> \$273,750 @ \$150/day	B	1.5
<input type="checkbox"/> \$365,000 @ \$200/day	B	2.0
<input type="checkbox"/> \$456,250 @ \$250/day	B	2.5
<input type="checkbox"/> \$547,500 @ \$300/day	B	3.0

\* Subject to the Plan of Care.

† You will use Rate Chart A or B and the Rate Factor to determine your monthly rate in Step 3.

## 2 Choose an Inflation Protection Option.

Due to inflation, the cost of long-term care services is likely to increase each year, just like other products and services. You will need to decide which option makes the most sense for you. Read the descriptions below as well as the pros and cons for each.

**Guaranteed Purchase Option<sup>7,8</sup>:** Every three years you will be notified of an increase to your Pool of Money. It will equal a 5% annual increase of your then current pool amount, compounded over the three year period. The premium, for just the additional amount that would be added to your Pool of Money, will be based on your age at the time the offer is made. You may decline the offer each time you receive it.

**Automatic Inflation Option<sup>7,8</sup>:** Your initial premium will be higher, but as your Pool of Money automatically increases by 5% compounded annually you will not have to pay higher premiums for the additional amounts in your pool. Keep this selection in mind as you move to Step 3.

## 3 Determine Your Monthly Rate.

Now that you've chosen the Pool of Money you want for long-term care services, you're ready to determine your monthly rate.

Fill in your amount from Step 1

**Your Pool of Money:**

Based on the Pool of Money you selected in Step 1, check the designated **Rate Chart:** **A**  **B**

Indicate your choice for Inflation Protection:

**Guaranteed Purchase Option**

**Automatic Inflation Option**

Fill in your **Current Age:**

Find your age in the rate chart you checked, and look up the monthly rate for the inflation protection option you selected. Be sure to choose the rate shown under the inflation protection option you want.

Enter Rate

Enter Designated Rate Factor (from Step 1) X

Your Monthly Rate =

Move to Step 4 on the next page.

### Guaranteed Purchase Option

- Pros
- Lower initial premium than Automatic Inflation Option.
  - Benefit increases are optional.
  - Helps you track inflation more accurately.

- Cons
- Cost of benefit increases will rise as you age.
  - Benefit increases only offered every three years.

### Automatic Inflation Option

- Pros
- Premium stays the same for consistent budgeting.<sup>6</sup>
  - Benefit increases each year with no added premium.
  - Total premium paid over lifetime may be less than Guaranteed Purchase Option.

- Cons
- Initial premium is higher than Guaranteed Purchase Option.
  - May not correspond to actual inflation as well as Guaranteed Purchase Option.



**RATE CHART A**  
Three Year

**RATE CHART B**  
Five Year

AGE	RATE CHART A Three Year		RATE CHART B Five Year	
	Guaranteed Purchase Option	Automatic Inflation Option	Guaranteed Purchase Option	Automatic Inflation Option
18-30	8.33	42.41	10.06	51.21
31	8.74	44.22	10.56	53.40
32	9.18	46.10	11.08	55.67
33	9.63	48.07	11.63	58.05
34	10.11	50.12	12.21	60.52
35	10.60	52.26	12.80	63.10
36	11.12	54.48	13.43	65.79
37	11.67	56.80	14.09	68.59
38	12.25	59.23	14.79	71.52
39	12.84	61.76	15.51	74.57
40	13.48	64.40	16.28	77.76
41	14.33	67.67	17.31	81.72
42	15.23	71.12	18.40	85.88
43	16.20	74.73	19.56	90.24
44	17.23	78.53	20.80	94.83
45	18.31	82.52	22.11	99.65
46	19.47	86.71	23.51	104.70
47	20.69	91.11	24.99	110.02
48	22.00	95.75	26.56	115.62
49	23.39	100.61	28.24	121.50
50	24.85	105.71	30.00	127.66
51	26.69	109.57	32.23	132.32
52	28.66	113.57	34.61	137.14
53	30.78	117.72	37.17	142.15
54	33.06	122.02	39.92	147.34
55	35.51	126.48	42.88	152.73
56	38.14	131.09	46.06	158.30
57	40.97	135.88	49.47	164.08
58	44.00	140.84	53.13	170.07
59	47.26	145.99	57.07	176.29
60	50.76	151.31	61.30	182.72
61	55.48	160.13	67.00	193.36
62	60.64	169.45	73.22	204.62
63	66.28	179.32	80.03	216.53
64	72.44	189.75	87.47	229.14
65	78.48	199.06	94.77	240.37
66	85.01	211.98	102.66	255.98
67	92.08	225.74	111.20	272.59
68	99.74	240.39	120.45	290.29
69	108.04	255.99	130.46	309.13
70	117.01	272.62	141.29	329.20
71	128.30	290.08	154.93	350.29
72	140.69	308.66	169.89	372.72
73	154.27	328.43	186.29	396.59
74	169.16	349.46	204.27	422.00
75	185.49	371.84	223.99	449.01
76	206.47	398.25	249.32	480.91
77	229.81	426.54	277.51	515.07
78	255.79	456.84	308.89	551.66
79	284.71	489.29	343.81	590.85
80*	316.91	524.05	382.68	632.82

\* Premium rates beyond age 80 are available on our website.

#### 4 Calculate Discounts and Payment Options.

You may be able to reduce your monthly premium if you can take advantage of any of the following discounts!

##### Payment Frequency Options and Discounts

If you are direct-billed, you can receive a discount for paying annually or semiannually. There is a 5% discount if you pay annually, and 1.67% discount if you pay semiannually. If you choose to pay monthly or quarterly, there is no discount.

##### Calculate your discounts:

Your Monthly Rate

Annual Direct Bill X .95

OR

Semiannual Direct Bill X .9833

Your Discounted Monthly Rate =

Your Discounted Annual Rate  
Discounted Monthly Rate X 12 =

##### EFT Payment Option

You may choose the convenience of Electronic Funds Transfer (EFT) to pay your premiums monthly, right from your bank account, with no checks to write. There is no discount for EFT payment.

#### 5 You are Ready to Enroll Online.

**Open Enrollment is September 4–September 21, 2012.**

- Employees and spouses or domestic partners can enroll at [www.prudential.com/gltcweb/seattle](http://www.prudential.com/gltcweb/seattle)
- You can also get this coverage for family members including your spouse or domestic partner, parents, grandparents, and siblings.
- Call 800-732-0416 Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern time.

**Use the Rate Quote Calculator on our website to view additional Lifetime Maximums and all optional plan features.**

# What does this plan provide?

The following benefits and features are included in this Prudential Long Term Care Solid Solutions<sup>SM</sup> plan.

**Home Care Daily Benefit:** If you prefer to receive long-term care services outside of a professional facility, your plan covers home health care, homemaker services, personal care services, and adult day care. The coverage is equal to 75% of the Facility Daily Benefit. The Facility Daily Benefit is listed with the Pool of Money you selected.

**Cash Alternative Benefit:** Manage your long-term care needs as you choose. You'll receive a fixed monthly benefit instead of reimbursement for charges from a facility or licensed caregiver. Family members, friends, and other people you trust can provide care in your own home on any schedule you prefer. The Cash Alternative benefit provides 50% of your Home Care Daily Benefit. The Cash Alternative benefit reduces the Lifetime Maximum and is subject to the Elimination/Benefit Waiting Period.

**Home Support Services:** This is a pool of money equal to 60 times the Facility Daily Benefit that you may use to make physical modifications to the home, such as a wheelchair ramp or an emergency medical response system, to pay for special transportation, to help train informal caregivers, assistive devices or technology, and durable medical equipment not covered by Medicare. The amount of Home Support Services benefits that are used reduces the Lifetime Maximum, but is not subject to the Elimination/Benefit Waiting Period.

**Restoration of Benefits:** If you have filed a claim and received benefits, and then are no longer considered to have a chronic illness or disability for a period of at least six consecutive months, Prudential restores the Lifetime Maximum to the level in effect before your claim was filed.

**International Coverage:** To meet the needs of diverse and geographically dispersed families, you can receive reimbursement for eligible charges up to 75% of the Facility Daily Benefit or 75% of the Home Care Daily Benefit, for up to 365 days for care received outside the United States. International Coverage benefits will reduce the Lifetime Maximum and are subject to the Elimination/Benefit Waiting Period.

**Elimination/Benefit Waiting Period:** Your plan has a single, 90-day Elimination/Benefit Waiting Period; Benefits begin 90 days after you have been certified as having a Chronic Illness or Disability. If, after a period of time, you no longer require long-term care services, the benefits stop. If you have been certified as having a Chronic Illness or Disability at a future date, there is no additional Elimination/Benefit Waiting Period and benefits are available immediately.

**Portability:** If you change jobs or retire, you can take your Prudential Long Term Care Solid Solutions<sup>SM</sup> coverage with you and continue to pay the same premium.

**Long-Term Care Resource Center:** This single, convenient website provides information on how to choose a long-term care provider that best meets your needs. This can be especially helpful when you or a loved one first needs long-term care services, or when the situation changes.

**No Health Questions to Answer:** As long as you are actively at work, you may enroll for Prudential Long Term Care Solid Solutions<sup>SM</sup> without providing proof of good health during the open enrollment period.

**Simplified Issue:** Your spouse or domestic partner can apply for Prudential Long Term Care Solid Solutions<sup>SM</sup> by answering just a few basic health questions. Your spouse or domestic partner must be actively at work and under the age of 65.

**Waiver of Premiums:** Once you have satisfied the Elimination/Benefit Waiting Period, you will no longer be required to make premium payments while you have a Chronic Illness or Disability.

**Non-Forfeiture Benefit—Shortened Benefit Period:** If you make premium payments for three (3) or more years, you will retain some insurance even if you stop making premium payments. The benefit retained will be equivalent to 30 times the Facility Daily Benefit in effect at the time your coverage ends or the total amount of premiums paid for your coverage less the sum of all benefit paid on your behalf while your coverage is in effect, whichever amount is greater. This benefit is available at an additional cost of 11% of your monthly rate.

**For complete plan features, details, exclusions, limitations, and eligibility requirements, please visit: [www.prudential.com/gltcweb/seattle](http://www.prudential.com/gltcweb/seattle)**

**Or call:**

800-732-0416 Monday through Friday,  
8:00 a.m. to 8:00 p.m., Eastern time.

## Plan Exclusions:

This insurance plan is designed to provide coverage to reimburse for the long-term care if you need it. However, there are some special circumstances that limit or exclude the availability of benefits under this insurance plan. While state variations may apply to specific limitations and exclusions, generally, no benefits will be payable if any of the following situations apply:

**Work-Connected Conditions Charge:** A charge covered by a workers' compensation law, occupational disease law or similar law.

### 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.†

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 (Medi-Cal) 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.

Charges for services or supplies for which no charge would be made in the absence of insurance.

Charges for care or treatment provided outside the United States except as described in the International Coverage benefit.

Charges arising from intentionally self-inflicted injury or attempted suicide.

Charges for expenses reimbursable under Medicare or for expenses that would be reimbursable under Medicare except for application of a deductible or coinsurance amount. This provision does not apply when expenses are reimbursable under Medicare as a secondary payer or the claim is eligible under the Cash Alternative benefit.

\* In Oklahoma: War or an act of war while serving in the military service or any auxiliary unit attached thereto; or

† In Louisiana, South Dakota, and Vermont benefits would not be payable for treatment of alcoholism and drug addiction.

<sup>1</sup> 2010 national median single-family home value as reported by the National Association of Realtors.

<sup>2</sup> The average IRA balance for the family head in 2007 as reported by the Employee Benefit Research Institute.

<sup>3</sup> For two children, the 2010 average four-year cost of four-year in-state schools, four-year out-of-state schools, four-year private schools, and two-year colleges. Estimated college expenses are based on information from The College Board.

<sup>4</sup> The potential cost of three years in a nursing home, based on the \$90,155 annual cost reported in Long-Term Care Cost Study, 2010. Prudential Financial Global Market Research.

<sup>5</sup> The potential cost of three years in a nursing home in the specific state or states listed, based on the annual cost reported in Long-Term Care Cost Study, 2010. Prudential Financial Global Market Research.

<sup>6</sup> Prudential has the right to change premium rates in the future, buy only on a class basis.

<sup>7</sup> You have the right to convert to Automatic Inflation protection one time during the lifetime of the insurance plan. You will not have to provide proof of good health. Premium rates for Automatic Inflation protection will be based on your then current age at the then current premium rate.

<sup>8</sup> Inflation increases on the pool of money are made without regard to claims paid.

Prudential Long Term Care Solid Solutions<sup>SM</sup> is issued by **The Prudential Insurance Company of America**, 751 Broad Street, Newark, NJ 07102. Coverage may not be available in your state. Coverage is issued under Contract Series 83500. In Idaho and Oklahoma, coverage is issued under 83500 COV 5022. In Oregon, coverage is issued under GRP 113697. In North Carolina coverage is issued under 83500 COV 5036. In Pennsylvania, coverage is issued under 83500 COV 5027. 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.

This is a solicitation for long-term care insurance.

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