

# Planning for Long-Term Care

**MetLife®**



**Helping you  
make sense of it all**

**Metropolitan Life Insurance Company**  
PEANUTS © United Feature Syndicate, Inc.  
**ADF#1388.04**

© 2004 Metropolitan Life Insurance Company, New York, NY 10166  
LTC02139 (0206) L0501DV8L(exp0706)MLIC-LD



# MetLife Long-Term Care Insurance (“LTCI”)



# MetLife LTCI offered through your Employer

- **Valuable new benefit available to:**
  - Employees
  - Retirees
  - Current spouses and domestic partners of employees and retirees
  - Parents, parents-in-law, grandparents, step-parents of employees and retirees, and children 18 or older
- **Multi-Life Premium Discount**
- **Choice of policies**

# What is long-term care?

- **The care you need when you are diagnosed as chronically ill, which is defined as:**
  - Care for people who require standby or hands-on assistance with at least 2 out of 6 Activities of Daily Living “ADLs” for a period of at least 90 days
  - OR**
  - Substantial supervision for a severe cognitive impairment, such as Alzheimer’s Disease

# Activities of Daily Living

- **ADLs are:**

- Dressing
- Bathing
- Transferring (e.g., moving from a bed to a chair)
- Toileting
- Eating
- Continence

## Where are long-term care services commonly provided?

- In the home
- Community settings such as Adult Day Care\* Centers
- In Hospice Home-Care Programs or Facilities
- Various facilities including: Assisted Living\*\* Facilities and Nursing Home/Facilities

\*In California, this type of facility is known as an Adult Day Health Care Center.

\*\* In California, this type of facility is known as a Residential Care Facility.



Myth #1:  
“It won’t happen to me.”

# What can cause someone to need help with Activities of Daily Living?

- An Accident
- A Chronic or Disabling Illness (Cancer, Parkinson's Disease, Stroke, etc.)
- Cognitive Impairment
- Normal Aging



# Have you known a friend or family member who needed care?

## What was it like?

- Were they prepared for the emotional and financial cost associated with needing long-term care services?
- How did it impact their family?
- How did paying for long-term care services out of their pocket impact their retirement savings?
- Were they able to stay at home? If so, who coordinated their care?

# Why is it important to plan for long-term care?

- Nearly 40% of people receiving long-term care services are between the ages of 18 and 64.<sup>1</sup>
- There are an estimated 22.9 million households providing care to an adult.<sup>2</sup>

Sources:

<sup>1</sup>. Georgetown University Long-Term Care Financing Project “*Who Needs Long-Term Care?*” May 2003.

<sup>2</sup>. “Caregiving in the U.S.,” National Alliance for Caregiving & AARP; April 2004.

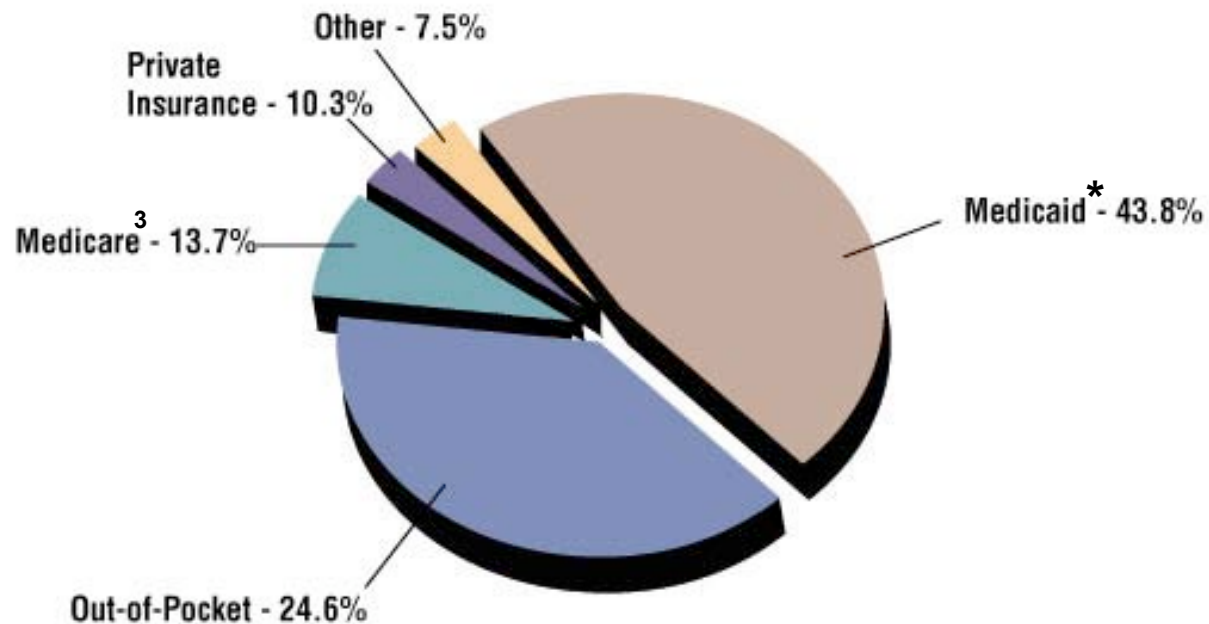


**Myth #2:**  
**“I’m already covered.”**

Long-Term Personal/Custodial Care is NOT routinely covered by other insurance.

- 
- **Traditional Health Insurance**
  - **HMO Plans**
  - **Disability Income Insurance**

# Who pays for long-term care services?



Source: Department of Health and Human Services, HCFA, Office of the Actuary, National Health Statistics Group, *Personal Health Care Expenditures*, 2001.

<sup>3</sup> Provided for skilled home care and short-term care following a hospital stay.

\* Medicaid is Medi-Cal in California.

“Percentages rounded to the nearest tenth of a percent.”



## Myth #3:

“My family will take care of me.”

## Sociological changes have impacted caregiving.

- **Families no longer in same community**
- **Working women**
- **Divorce**
- **Delayed childbirth**



## Today's working caregivers <sup>4</sup>

- More than one-fifth (22%) of the “sandwich” generation (i.e, those age 45 to 55 with aging parents and who have children under age 21) furnish aid to their parents, other elderly family members, or both.
  - 17% personally provide help, which may include money as well as other forms of assistance, and another 5% provide financial support alone.
- From 1996 to 2001:
  - 43% of older Baby Boomers took time off from their own jobs, to care for someone.
  - 17% of older Baby Boomers reduced the amount of time they worked.

<sup>4</sup>. AARP: “In the Middle; A Report on Multicultural Boomers Coping with Family and Aging Issues”, July 2001.

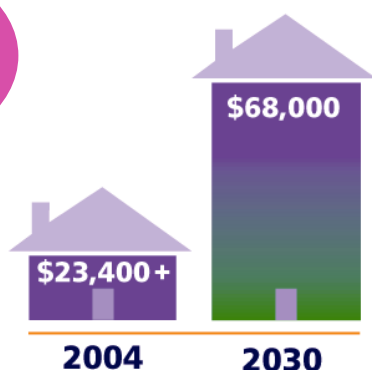




**Myth #4:**  
**“I can’t afford Long-Term  
Care Insurance.”**

# Can you afford not having Long-Term Care Insurance?

## At-home Care



The average annual cost is \$23,400<sup>5</sup> and is expected to jump to \$68,000 by 2030.<sup>6</sup>

## Nursing Home \* Care



The average annual cost is \$61,685<sup>5</sup> and is expected to jump to \$190,600 by 2030.<sup>6</sup>

<sup>5</sup> MetLife Mature Market Institute “*The MetLife Market Survey of Nursing Home and Home Care Costs*” September 2004. (Home health care costs based on home health aide per hour: \$18.00 x 5 hours/day x 5 days/week.

<sup>6</sup> “*Can Aging Baby Boomers Avoid the Nursing Home?*” Stucki, B. and Mulvey, J., American Council of Life Insurers, March 2000, page 15.

\*In California, this type of facility is licensed as a Residential Care Facility.

# Compare the cost of Long-Term Care Insurance to the cost of care

## Cost of LTC Insurance

Age	Monthly Premium <sup>7</sup>
45	\$ 117.73
65	\$232.49

Vs.

## Average Monthly Cost of LTC Services

Type of Care	2003 <sup>8</sup>	2030 <sup>9</sup>	Home Ca

<sup>7</sup> Ideal Plan , \$110 DBA, 4 year Benefit Period, 75% Home Care, 100 Day Elimination Period, 5% Automatic Compound Inflation.

<sup>8</sup> MetLife Mature Market Institute “*The MetLife Market Survey of Nursing Home and Home Care Costs*” September 2004. (Home health care costs based on home health aide per hour: \$18.00 x 5 hours/day x 5 days/week.

<sup>9</sup> “*Can Aging Baby Boomers Avoid the Nursing Home?*” Stucki, B. and Mulvey, J., American Council of Life Insurers, March 2000, page 15.

\* In California, this type of facility is licensed as a Nursing Facility

# How can Long-Term Care Insurance help?

## **It Can Help You To:**

- Preserve and Protect hard-earned retirement assets;
- Give you the flexibility to choose where and how you receive care;
- Assure high-quality care at a reasonable price; and
- Provide financial and emotional support for you and your family members.

## Why you should seriously consider this new valuable benefit?

- The need for long-term care is real and can happen at any time.
- Most people are unprepared for the financial strain associated with LTC services.
- Relying on family members is neither practical nor desired.
- Most Americans want to retain their independence.



# Decisions to Make

## Five questions to ask yourself

### 1 Where would you like to receive care?

- At home or in an Assisted Living\* or Nursing facility?

### 2 How would you like to receive your benefits?

- Daily or monthly reimbursement, or cash payment?

### 3 How much coverage is right for you?

- Considering the cost of care in your area
- What Maximum Nursing Home Daily Benefit Amount (“DBA”)?
- What percentage of your DBA for Assisted Living and Home and Community Based Care?

\* In California, this type of facility is licensed as a Residential Care Facility.

## Five questions to ask yourself *Continued*

### 4 How long would you like your benefits to last?

- Number of days you receive your maximum DBA
- The Benefit Period you select is used to calculate your “Total Lifetime Benefit” - the total amount of benefit dollars under your policy.

Example:

**\$150 DBA x 5 years x 365 = \$273,750** Total Lifetime Benefit

### 5 How long can you wait before benefits are paid?

- The Elimination Period is the period of time you are responsible for paying the cost of your care services.



# Decisions you'll need to make

- **Benefit Increase Riders**
- **Policy Feature Riders**
- **Flex-Pay Premium Payment Riders**

## Discounts available

**30% Spousal Discount (Spouse or Domestic Partner)**

(both apply and are approved)

---

**15% Marital Discount (Spouse\* or Domestic Partner)** (both do not have to apply or if one spouse/partner is declined)

---

**15% Residential** (two people living in the same household)

---

- **A 10% good health Preferred Discount\*\***
- **A 5% / 10% Multi-Life Discount**

\*\* Does not apply to Multi-Life Simplified Underwriting.

## Why should I apply NOW?

- **Premiums increase as you get older.**
- **You may require additional underwriting if you wait.**
- **Your health may change and you may not be able to qualify for coverage.**

# MetLife Long-Term Care Insurance

**Coverage is offered by the following Metropolitan Life Insurance Company policies:**

**LTC2-VALUE, LTC2-IDEAL, LTC2-PREM and LTC2-FAC.**

**Like most long-term care insurance policies, MetLife's policies contain certain exclusions, limitations, waiting periods, reductions of benefits and terms for keeping them in-force. Ask your MetLife Representative/Insurance Agent/Producer about complete costs and details.**

# Policy Exclusions & Limitations

1. Treatment of alcoholism or drug addiction, unless the addiction was due to drug(s) taken on the advice of a Physician.
2. Any care received while in a hospital, except in a unit specifically designated as a Nursing Home/Facility or Hospice Facility.
- 3.\* Any injury or sickness that results from:
  - Any war, or act of war (whether declared or undeclared), or
  - Participation in a felony, riot or insurrection
- 4.\* Any intentionally self-inflicted injury.
5. Any care or services received outside the US and its territories, except as described in the International Coverage section.

**\* Exclusions 3 & 4 are the only exclusion that apply to the Premier Policy**

## Policy Exclusions & Limitations *Continued*

6. Services, other than supportive services, performed by a member of the Insured's immediate family.
7. Any service or supply to the extent the expense for it is reimbursable under Medicare, or would be reimbursable but for the application of a deductible, coinsurance, or co-payment amount. This exclusion will not apply where Medicare is the secondary payer under applicable law.
8. Treatment received in a government facility (unless otherwise required by law); services for which benefits are available under a government program (except Medicaid\*); or services for which no charge is normally made in the absence of insurance.

**\* Exclusions 3 & 4 are the only exclusion that apply to the Premier Policy**

\* Medicaid is called "Medi-Cal" in California.

## Coordination of MetLife Coverages\*

If you have more than one Long-Term Care Insurance policy or certificate issued or insured by Metropolitan Life Insurance Company (“MetLife”), we will reduce the benefit amounts payable to the extent necessary, so that the combination of benefits under all of these policies and certificates will not exceed one hundred percent (100%) of the actual charges for Covered Services.

If you are eligible to receive benefits under this policy and any other Long-Term Care Insurance Policy or certificate issued or insured by MetLife with a coordination of benefits provision, then the policy or certificate with the earliest effective date will be deemed to be the primary coverage, and any other policy or certificate will be deemed secondary coverage, in order by effective date, from the earliest to the latest. Policies and certificates without a coordination of benefits provision will pay first.

This provision will not apply to policies or certificates which pay benefits without regard to actual charges you incur.

**\* Not applicable to the Premier Policy**



**Questions?**