

# Preparing for the Future

Metropolitan Life Insurance Company ("MetLife")



**MetLife**<sup>®</sup>



*Planning for*

*Longevity*



# How Will You Live in the Future?

**Y**ou're preparing to live a long life. You've made sound investment decisions to ensure a stable and comfortable financial future for yourself and your family. However, planning for longevity also means planning for proper care and taking steps to ensure your independence. Perhaps you are someone who's already familiar with what it means to need long-term care services. Maybe you are a couple looking ahead to a comfortable future together at home. Or maybe you're looking to maintain your independence and quality of life in retirement.

Whatever your situation is, now is the time to consider how your life might change should you experience an injury or illness that requires you to need long-term care services. Getting ill is something that no one likes to think about — something that no one thinks will ever happen to them. The fact is, people are living longer than ever. The older you are, the greater the likelihood you'll need long-term care at some point in your life.

The choices you make today can determine *how* you and your family will live — and *where* you will live in the future.



## Long-Term Care Services Can Pose Emotional Challenges

Think about the many ways that a long-term care need could impact your family and friends. Will they be able to devote sufficient time to care for you? If they're working, they may have to reduce their work schedule or leave their job entirely. Could they afford the loss of income — and would you feel comfortable with the sacrifices your caregivers may have to make?

Keep in mind that whether they are working or not, the responsibilities of a caregiver can be quite demanding. In fact, assisting you with your long-term care needs could be one of the most demanding situations your family and friends will ever encounter. Even if their intentions are good, will they be physically and emotionally capable of providing you with the care you need?

## Long-Term Care Services Can Drain You Financially

You may find yourself wondering how your lifestyle will be affected. Long-term care services can be expensive, and can deplete your income and assets, especially your retirement plan. Having the financial resources to pay for care is just one of many challenges you may have to confront. The money you have worked hard to set aside for retirement should be protected from the costs of care, should you need it.

## Being Prepared to Make the Right Choices About Your Care

If your friends and family are not able to provide long-term care services on a regular basis, how prepared are you to find additional help? Do you know the care options available to you? How much do care options cost? Do you know how to find available care in your community?

## How will you pay for your care?

You've worked your entire life to help ensure an enjoyable retirement for yourself and your loved ones. Think about how the considerable expenses associated with long-term care services can deplete your retirement savings — maybe even before retirement. Long-Term Care Insurance can help allow you to use your retirement funds for the purpose for which they were intended: *your retirement*.



### Cost of Care in Your Area

City, State	Approximate Annual Care Costs		
	At Home <sup>(1)</sup> (5 hrs/day x 5 days/wk)	Assisted Living Facility <sup>(2)</sup> (7 days/week)	Nursing Home <sup>(1)</sup> (7 days/wk)
Atlanta, GA	\$21,808	\$30,425	\$55,129
Austin, TX	\$23,127	\$33,000	\$63,869
Boston, MA	\$28,015	\$41,093	\$103,755
Columbus, OH	\$24,239	\$35,437	\$70,006
Denver, CO	\$29,504	\$24,672	\$62,766
Grand Rapids, MI	\$23,511	\$27,048	\$71,832
Highland Park, IL	\$26,324	\$42,502	\$77,967
Miami, FL	\$18,968	\$16,080	\$70,493
New York, NY	\$19,540	\$37,174	\$113,970
Philadelphia, PA	\$23,010	\$32,502	\$82,583
Portland, OR	\$26,202	\$29,734	\$59,116
San Francisco, CA	\$27,032	\$31,560	\$106,920
Seattle, WA	\$27,270	\$33,139	\$79,147
St. Louis, MO	\$23,400	\$27,372	\$42,705
Stamford, CT	\$29,582	\$51,921	\$120,719
Tucson, AZ	\$23,114	\$24,684	\$69,685
Washington, DC	\$22,263	\$47,040	\$94,928
National Average	\$23,400	\$30,288	\$61,685

(1) MetLife Mature Market Institute, "The MetLife Market Survey of Nursing Home & Home Care Costs," September 2004. (Home health care costs based on home health aide at 5 hours/day x 5 days/week. Home Care hours and days can vary based on specific circumstances. Nursing Home costs based on a semi-private room, 7 days/week.)

(2) MetLife Mature Market Institute, "The MetLife Market Survey of Assisted Living Costs," October 2004.

### Consider your monthly expenses

Sometimes it's hard to appreciate the magnitude of the cost of long-term care services. Consider the cost of your everyday living expenses, such as your mortgage or rent payment, your utilities and your car payment(s). Sometimes we may think that these are high, however, compare them to the national average cost of long-term care services.

#### National Average Monthly Costs for Long-Term Care Services:

Home Care .....\$1,950<sup>(1)</sup>

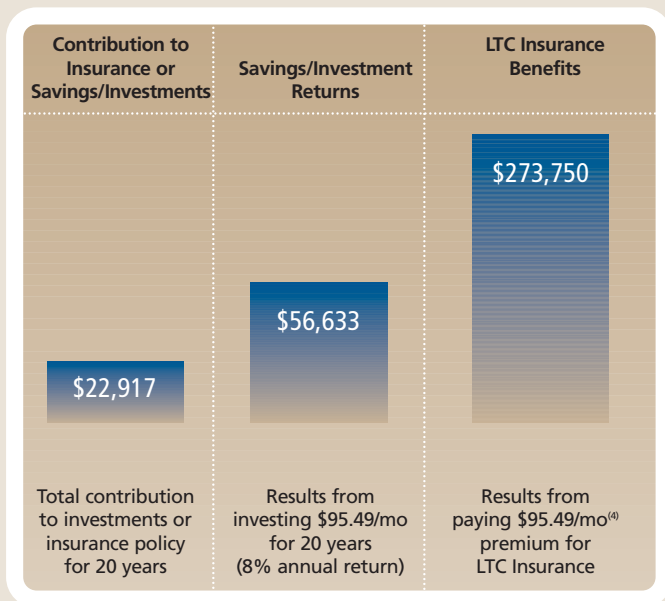
Assisted Living Facility Care.....\$2,524<sup>(2)</sup>

Nursing Home Care .....\$5,140<sup>(1)</sup>

Would home care be an expense you could fully afford in addition to your current living expenses?

## Purchasing insurance may be wiser than investing the same money when it comes to covering long-term care (“LTC”) expenses

For example, consider what you could do with \$95.49<sup>(3)</sup> per month (insurance vs. investing)



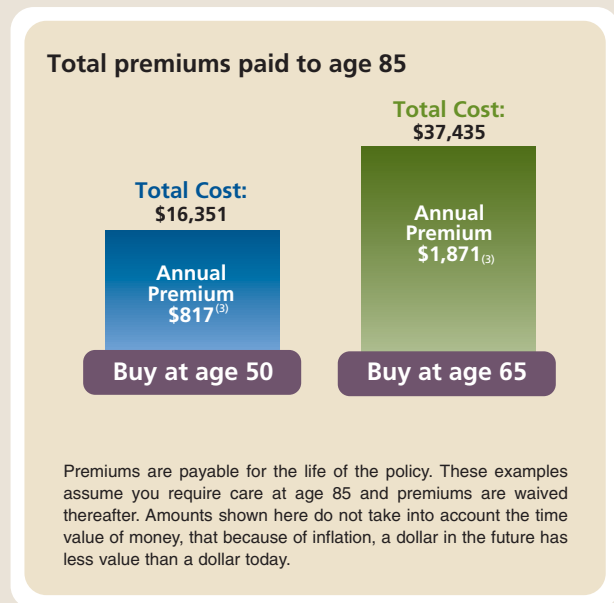
If you invested \$95.49 a month for 20 years, with an average annual yield of 8% compounded monthly: At the end of 20 years, you will have saved only \$56,633 to spend on long-term care services. Additionally, you would have to wait 20 years for that amount, to be saved – and you could need long-term care services before then.

If you took the same \$95.49<sup>(4)</sup> and used it to pay monthly premiums for a Long-Term Care Insurance policy: Although the overall amount of money set aside is the same — \$22,917 for both options — the insurance-based example could give you \$217,117 more than your cash outlay to cover long-term care services (Total Lifetime Benefit of \$273,750<sup>(4)</sup>). Additionally, you would have access to the full coverage amount at any time during that 20-year period, if you became eligible for benefits and satisfied any applicable elimination period.

## Purchasing coverage today may cost you less in the long-run

Consider the advantages of purchasing coverage at your current age:

- **Pay a lower premium.** Your premium rate is based on your current age and it may never be lower than it is today. By applying later, chances are your premiums will be higher.
- **Pay less in total premiums over time.** Even though you’ll pay premiums for a longer period of time, your annual premium could be lower.
- **Avoid the risk.** You may not qualify later if your health changes or if you have an accident or illness.



(3) Premium amounts shown are for illustrative purposes only. Premiums are based on age and will vary based on policy design, state coverage is obtained in, and additional features selected.

(4) Based on a 50-year old applicant with a \$150 DBA times 1,825 (5-year) Benefit Period Multiplier. The premium amount quoted is for illustrative purposes only. Premiums are based on age and will vary based on policy design, state coverage is obtained in, and additional features selected.

## Five Questions you need to ask yourself when building a MetLife Policy

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

You can choose a comprehensive policy that will cover care at home, in an adult day care facility, assisted living facility, hospice facility or in a nursing home. Some policies also cover care provided by friends or relatives (informal care). Comprehensive policies you can choose from are **Value**, **Ideal** and **Premier**.

Or, you can choose a **Facilities-Only**<sup>(5)</sup> policy that will only cover care received in a long-term care facility.

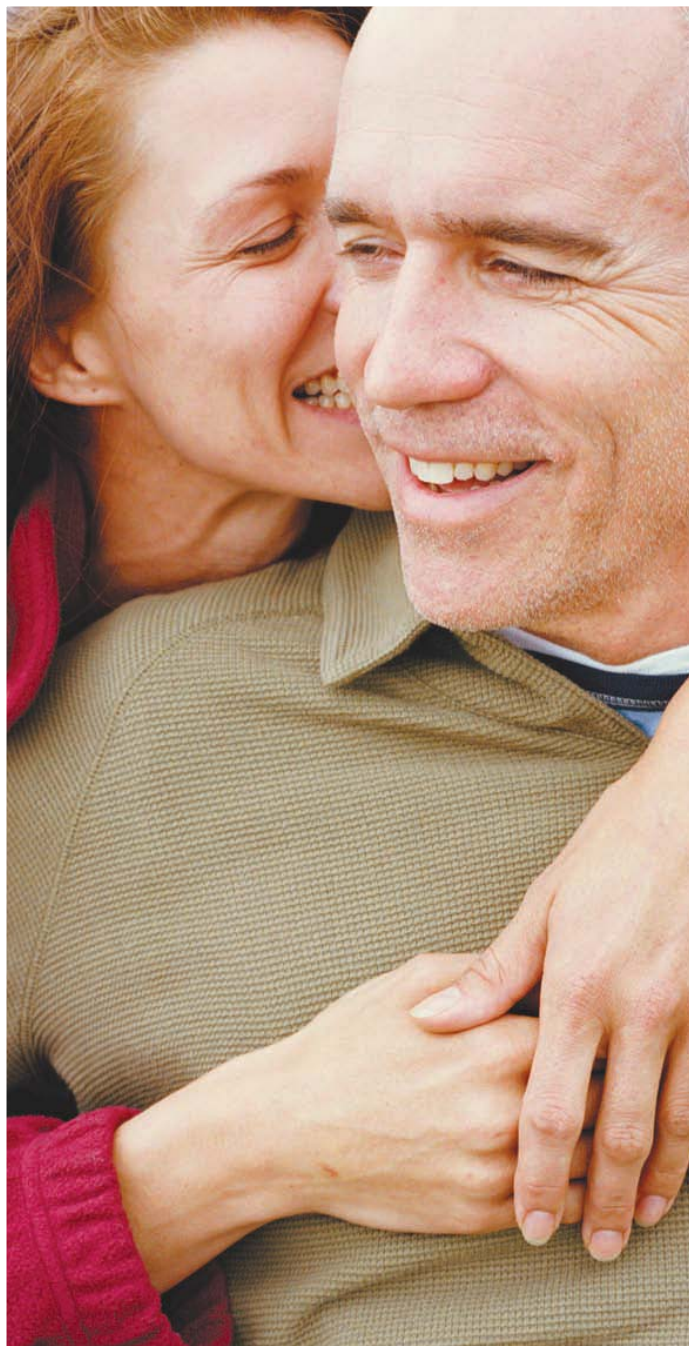
### 2 How would you like to receive your benefits?

You have a choice of one of three ways to receive your benefits.

**Daily Reimbursement** – The Value policy pays up to your Daily Benefit Amount (DBA) for covered services received.

**Monthly Reimbursement** – Both the Ideal and Facilities-Only policies pay benefits on a monthly basis for covered services you receive at any time during the calendar month. The most we will pay in any given month is the Maximum Daily Benefit Amount (DBA) times the number of days in a calendar month.

**Cash Payment**<sup>(6)</sup> – The Premier policy pays your Daily Benefit Amount (DBA) regardless of whether services are received and without having to submit bills (though proof of services received is required for the facility benefit). This policy provides you with the maximum amount of flexibility, as benefits can be used for informal care services.



*Choose MetLife for coverage you can rely on to help protect your assets and help preserve your future independence*

(5) In New York, a Facilities-Only policy is referred to as a Nursing Home Insurance Only policy.

(6) Any per diem benefits paid without regard to the actual charges you incur may be subject to income tax to the extent that they exceed the greater of: (1) your expense for qualified LTC services, or (2) the IRS per diem exclusion amount \$240 in 2005. Applicable to the Premier policy and the Value policy with Indemnity rider only.

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

Your MetLife Representative/Insurance Agent/Producer can provide you with the average cost of care in your area. You may decide to cover all of your long-term care needs or a portion of them. Both are perfectly good decisions, it just depends on your situation.

**Maximum Nursing Home Daily Benefit Amounts (DBAs) available: \$50 - \$400 (in \$10 increments)<sup>(7)</sup>**

**If you are considering a comprehensive policy, you need to decide if you want your policy to pay 100%, 75% or 50% of your DBA for home and community based care.**

Note: For the Value policy the Assisted Living Facility benefit is equal to the Home and Community Care benefit. For the Facilities-Only, Ideal and Premier policies the Assisted Living Facility benefit is equal to the Nursing Home DBA.

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

The Benefit Period is the number of years (in days) you will receive your maximum Nursing Home DBA.

**Benefit Periods available: 2, 3, 4, 5, or 7 years or Unlimited**

(With an Unlimited Benefit Period, you will receive benefits for however long you are benefit eligible with no limit on the lifetime maximum amount paid. This Benefit Period is not available with the Premier policy.)

The Benefit Period you select is used to calculate the total amount of benefit dollars under your policy. This “Total Lifetime Benefit” is equal to the Nursing Home DBA multiplied by the number of days in the Benefit Period.

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

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

Determine the number of days you can wait once you are eligible for benefits and receive covered services, before your benefits start. This is the period of time you are responsible for paying the cost of your long-term care services and is referred to as an Elimination Period. The Elimination Period needs to be satisfied once, and the days required to satisfy the Elimination Period do not need to be consecutive.

**Elimination Periods available: 20 days, 45 days, 100 days**

(The Premier policy uses Calendar Days to calculate the Elimination Period. This policy does not require receipt of covered services.)

<sup>(7)</sup> In New York, DBA's range from \$70 to \$400 Upstate; \$100 to \$400 Metro.

# How Your Coverage Works

MetLife offers Long-Term Care Insurance policies designed to help pay for care in a range of settings. Once you are determined to be eligible for benefits, and complete any applicable elimination period, you will qualify for benefit payment and a MetLife Nurse Care Manager will be available to help you with important decisions about your care. If you do not have a care provider, your Nurse Care Manager can help identify resources available in your community and help you and your family coordinate your care.

The Registered Nurses who serve as our Nurse Care Managers have worked extensively in the community and have backgrounds that include experience with nursing homes/facilities, adult day health care and home care. These caring professionals provide a level of expertise and support you simply won't find with other companies. You may call your Nurse Care Manager directly with any questions or issues.

You will be eligible for benefits when it is determined that you require substantial assistance with two out of six activities of daily living ("ADLs"), or suffer from a severe cognitive impairment that requires substantial supervision. A licensed health care practitioner must certify to this. No prior hospitalization is required. The services you receive must be part of a written plan of care prepared by a licensed health care practitioner of your choice.

The need for ADL assistance must be expected to last for a period of at least 90 days. The ADLs are eating, dressing, bathing, toileting, transferring in and out of bed or a chair, and continence.

## Why choose MetLife?

### Industry Experience

- More than 135 years of insurance experience
- One of the first companies to offer Long-Term Care Insurance
- The only endorsed provider making Long-Term Care Insurance available to AARP members
- In conjunction with another carrier, MetLife is a selected provider for the Federal Government's Long Term Care Insurance program
- MetLife is a provider of Long-Term Care Insurance for many Fortune 100 companies and associations

### Financial Strength

- MetLife is the largest provider of group Long-Term Care Insurance in the country with a 30% market share of in-force premiums <sup>(8)</sup>
- High marks from leading insurance industry experts, including an A+ (Superior) rating from A.M. Best for financial strength and an AA (Very Strong) rating from Fitch for claims paying ability <sup>(9)</sup>

<sup>(8)</sup> LIMRA International, Inc. Report, 2004.

<sup>(9)</sup> Ratings (as of September 2004) refer to the overall financial status of the company and are not recommendations of specific policy provisions, rates, or company practices.

### **What's Not Covered under the Value, Ideal, and Facilities-Only Policies:<sup>(1)</sup>**

No payment will be made for any of the following:

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 or Hospice Facility.
3. Any injury or sickness that results from:
  - a. Any war, or act of war (whether declared or undeclared); or
  - b. Participation in a felony, riot, or insurrection.
4. Any intentionally self-inflicted injury.
5. Services, other than supportive services,<sup>(2)</sup> performed by a member of your immediate family.
6. Any care or services received outside the United States and its territories.
7. Any service or supply to the extent the expense for it is reimbursed under Medicare, or would be reimbursed but for the application of a deductible, coinsurance or copayment amount. The Insured must file all Medicare claims relating to the service or supply prior to submitting a claim under this policy for such service or supply.
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.

### **What's not covered under the Premier Policy:<sup>(1)</sup>**

No payment will be made for any of the following:

1. Any injury or sickness that results from:
  - a. Any war, or act of war (whether declared or undeclared); or
  - b. Participation in a felony, riot, or insurrection.
2. Any intentionally self-inflicted injury.

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These exclusions may not apply in all states and may vary depending on the state in which you live at the time of policy issue or the policy you select. The policy you receive once you are insured will contain the exact exclusions for your state. If you move to another state, the state guidelines where the policy was originally purchased will apply.

- (1) Riders may contain additional limitations
- (2) For Value and Facilities-Only policies, the exclusion is as follows: Services performed by a member of your immediate family.

The Metropolitan Life Insurance Company ("MetLife") Long-Term Care Insurance policies are guaranteed renewable. This means that once a policy is issued, it cannot be cancelled due to an increase in your age or a change in your health. Premium rates can only be raised as the result of a rate increase made on a class-wide basis in the state where the policy is issued and approved by the Department of Insurance.

Like most Long-Term Care Insurance policies, MetLife's policies contain certain exclusions, limitations, elimination periods, reductions of benefits and terms for keeping them in-force. For complete costs and details, please contact your MetLife Representative/Insurance Agent/Producer.

This advertisement describes coverage offered by MetLife. Depending upon state availability, coverage may be offered by the following MetLife policies: LTC2-VAL, LTC2-IDEAL, LTC2-PREM, LTC2-FAC. In some states, coverage may be offered by the above-referenced policy number followed by the state's 2-letter abbreviation; the state's 2-letter abbreviation plus "ML" for Multi-Life policies; or the state's 2-letter abbreviation plus "P" for Partnership policies.



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**MetLife<sup>®</sup>**