

People are living longer thanks to advances in health care, nutrition and wellness. With that increased life expectancy, people need savings to last longer and they need protection from risks that might eliminate those savings that they have accumulated. One such risk is the need for long-term care assistance.

Contrary to commonly-held belief, long-term care is not covered by traditional health insurance. Long-term care insurance assists you with your activities of daily livings (e.g., dressing, eating), not acute medical needs. In the event you need long-term care, insurance helps pay the cost without placing an unnecessary burden on your family, friends or savings.

THE COST OF LONG-TERM CARE

Long-term care costs can be high and continue to increase. The costs vary by type of care, the location and the quality of the service provider.¹

Nursing Homes	Low	Average	High
Bridgewater, NJ	76,650	93,805	106,580
Cherry Hill, NJ	76,650	92,345	110,595
New York, NY	80,300	116,800	154,395
Philadelphia, PA	67,525	78,475	91,250

Assisted Living	Low	Average	High
Bridgewater, NJ	39,600	50,184	63,240
Cherry Hill, NJ	31,800	45,180	60,480
New York, NY	17,400	41,076	66,600
Philadelphia, PA	21,600	40,368	52,920

Home Aides	Low	Average	High
Bridgewater, NJ	22,100	24,700	28,600
Cherry Hill, NJ	18,200	24,700	28,600
New York, NY	13,000	19,500	23,400
Philadelphia, PA	15,600	20,800	26,000

HOW TO USE THIS QUESTIONNAIRE

This questionnaire will help you identify preferences and concerns that are important to you. Your answers will drive the development of a long-term care insurance plan customized to fit your needs now and in the future. It is, however, one tool in the process and should be used as a starting point. The choices you make now will, nonetheless, help you maintain your financial freedom, independence and dignity.

IDENTIFYING YOUR NEEDS FOR LONG-TERM CARE

1. Select your age range.
 - a. 55 or less
 - b. 56-65
 - c. 66-75
 - d. 76+
2. Which statement best describes your concern about inflation and its impact on your finances over time?
 - a. Highly concerned
 - b. Concerned
 - c. Somewhat concerned
 - d. Not concerned
3. Select the answer that best describes your feelings regarding your assets.
 - a. I do not care about leaving assets to my family.
 - b. I would like to leave something to my family if possible.
 - c. It is important for me to leave assets to my family.
4. What is your net worth?
 - a. \$150,000 or less
 - b. \$150,000-\$499,000
 - c. \$500,000-\$999,999
 - d. \$1,000,000 or more
5. Select the answer below which best describes your feelings about care-giving.
 - a. I would expect my family to care for me, financially and physically.
 - b. I would like my family to help somewhat, but I also want them to have financial resources.
 - c. I do not want my family to help care for me, physically or financially.

IDENTIFYING YOUR RESOURCES FOR LONG-TERM CARE

6. What is your expected retirement income from all sources?
 - a. Less than \$50,000
 - b. \$50,000-\$100,000
 - c. More than \$100,000
7. What is your marital status?
 - a. Married, but do not feel my spouse can provide the required care, physically or emotionally.
 - b. Married and confident that my spouse can care for me.
 - c. Single/widowed, but do not feel my family can provide the required care.
 - d. Single/widowed and confident that my family can care for me.

CALCULATING YOUR SCORE

Select the numerical score that corresponds to the answers you gave to each question.

Needs

Question	A	B	C	D	Score
1	16	12	5	0	
2	16	12	5	0	
3	0	8	16	n/a	
4	0	5	12	16	
5	0	8	16	n/a	
				Total	

Resources

Question	A	B	C	D	Score
6	0	8	16	n/a	
7	16	0	16	0	
				Total	

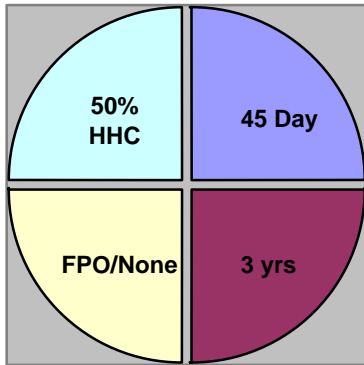
SUGGESTED PLAN DESIGN

There are five suggested plan designs. The plan design which corresponds to your answers is the one where your needs and resources scores intersect.

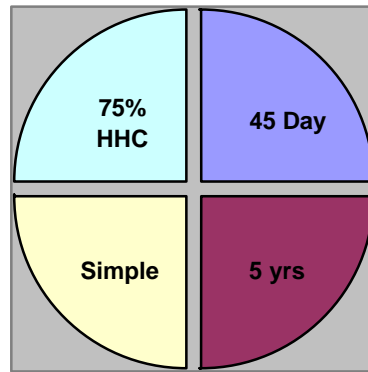
Resources Score	Needs Score			
	0-18	19-40	41-60	61+
0-7	I	I	II	III
8-15	I	II	III	III
16-23	II	II	III	IV
24+	III	IV	V	V

PLAN DESIGN FEATURES

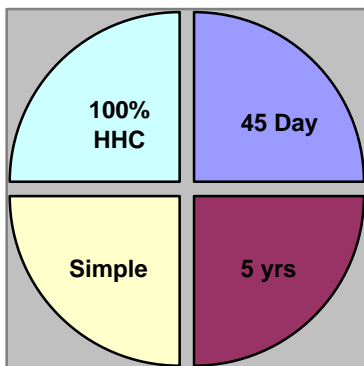
Plan I



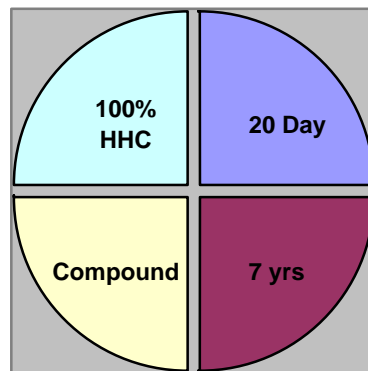
Plan II



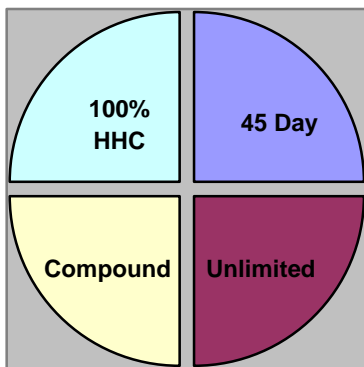
Plan III







Plan IV



Plan V



Legend

-  Elimination Period
-  Benefit Period
-  Inflation Protection
-  Home Health Care

UNDERSTANDING THE PLAN DESIGN FEATURES

Type of Care

The suggested plans provide for comprehensive coverage which includes nursing homes, adult day care, assisted living facilities, personal residences and hospices, among others. Facilities-only plans are available.

Daily Benefit Amount

The amount of benefit that the insurance company will pay in the event you require long-term care. You select the amount either as a reimbursement for expenses actually incurred or as an indemnity which is a fixed amount paid regardless of actual expenses.

Home Health Care

The amount the insurance company will pay if you receive long-term care services at home. It is typically expressed as a percentage of the DBA.

Benefit Period

The duration of benefits in the event you receive long-term care payments. You can typically choose between periods of 2 years and unlimited durations.

Elimination Period (a.k.a. deductible)

The period of time “before” the insurance benefits are payable. You must pay for services rendered during the elimination period.

Inflation Protection

Inflation erodes the value of money over time. Products have several optional features to protect against the loss due to inflation. The first is simple interest which raises the DBA each year as a percentage of the “original” DBA. The second is compounded interest. Each year the DBA is adjusted for inflation. That adjusted number becomes the new DBA for future interest calculations. The final option is Future Purchase Options (FPOs) which allow the policyowner the right to buy more coverage regardless of insurability.

Additional Riders/Benefits

- Return of Premium. The insurance company will refund the premiums paid less claims paid after the insured’s death.
- Restoration of Benefits. Claims reduce the amount available for future claims unless an unlimited benefit was originally elected. The restoration of benefits provision would reinstate the original benefit amount after a period without any additional claims (e.g., 5 years).

- Shared Care. Benefits under this rider can be accessed if one spouse exhausts his or her benefits under their base policy provided both spouses purchased the same coverage at inception.
- Recurrent Conditions. The elimination period will be waived if the insured requalifies for long-term care within a specified time after his or her rehabilitation from the original episode.
- Survivorship Rider. This option enables a spouse with LTC coverage in force to cease premium payments after a certain number of years (e.g., 10) in the event his or her spouse dies. This option is typically available when both spouses purchase coverage together.

¹ The MetLife Market Survey of Assisted Living Costs, October 2005, and The MetLife Market Survey of Nursing Home & Home Care Costs, September, 2005. Based on private room, home aide for 5 hours per day 5 days per week and basic service for nursing home care, home care and assisted living, respectively.