

Long Term Care Frequently Asked Questions For the Edgecombe Community College Plan

■ How Do I Enroll in the Long Term Care Insurance Benefit?

- **Questions, Need Assistance, Schedule Enrollment Appointment – Call toll free 855-328-8052 or email LTCHelp@AGIS.com**

Or...

You may enroll directly online. Steps to enroll:

- Go to www.EdgecombeLTC.com
- Click on “Your LTC Plan – Rates & Application” at top of screen
- Click on “Get Started” on right hand side
- Click “Shop and Compare”
- Select State of Residence
- Enter Date of Hire, Marital Status, and Date of Birth
- Choose a Plan (drop down arrows allow you to customize options)
- Click Register (this begins the application process)
- One Last Step – Check Email for DocuSign (documents to sign electronically) – Your application is not submitted until the documents have been signed
- You’re finished!

■ What is Long Term Care (LTC) insurance and how does it work?

When people hear the phrase “long-term care”, many think of nursing homes; however, Long Term Care is care received at home or in a facility (nursing home or assisted living). It pays for assistance with activities of daily living like bathing, help getting dressed, help with eating, getting in and out of bed or a chair, toileting, or continence. It also pays for assistance for those with severe cognitive impairments like Alzheimer’s or Dementia.

There may come a time when you (or your family member) may not be able to take care of yourself and need someone else’s help to care for you. 47% of all LTC claims today are being paid on individuals below the age of 65. You may have to use your savings to fund these unexpected expenses and sometimes end up depleting these assets paying for this care out of your pocket.

LTC insurance is a safety net that can pay for care not covered by [health insurance](#), [Medicare](#), or [Medicaid](#). LTC insurance assists with paying a designated amount for [home care](#), [assisted living](#), [adult daycare](#), [respite care](#), [hospice care](#), [nursing home](#) and [Alzheimer's](#) facilities. This plan will pay the out of pocket charges you incur, up to the maximum daily benefit amount for long term care Facility Care, Home Health Care, Adult Day Care or Hospice Care. Family member care is also covered through the Cash Benefit.

■ **When am I eligible to apply for the LTC insurance through Edgecombe Community College:**

Full time employees working 30+ hours per week with 6 months of continuous employment are eligible for the Edgecombe Community College long term care insurance benefit. This benefit is offered to employees once annually. Employees as defined above who have reached 6 months of employment at the time of enrollment are eligible to apply.

■ **What is the benefit of obtaining LTC insurance through Edgecombe Community College and not on my own?**

As an employee of Edgecombe Community College, you have a **Once in a Lifetime Opportunity to apply for coverage and answer only limited health underwriting questions if you apply on or before March 31, 2015.**

You are also eligible for group rate discounts. Your premiums will be paid via payroll deduction so you don't have to worry about paying a bill every month.

Your spouse and family members are also eligible for the group rate discounts.

■ **What is the value of reduced underwriting offered through the Edgecombe Community College Plan?**

Reduced underwriting means that you as an employee of Edgecombe Community College complete a shorter/simplified application with limited health questions if you apply on or before March 31, 2015. This is a once in a lifetime opportunity. As an employee, if you apply any time after March 31, 2015, you must answer an extensive health questionnaire in addition to a phone interview and additional medical records may be requested.

■ **Is Family Member Care covered?**

Yes. Once you qualify for benefits, you can choose to receive your benefit payments in an amount equal to 10 times the Maximum Daily Benefit each month. The Cash Benefit is paid directly to you in lieu of all other benefits, except for the Optional Care Coordination Benefit. And because the Cash Benefit does not have an Elimination Period, you will be eligible for this benefit from Day 1 of Benefit Eligibility. You can use this money in any way you see fit, such as paying for care by a family member. You do not have to submit receipts or prove care was received.

This benefit is not subject to nor does it satisfy the Elimination Period that may apply to other benefits. Transamerica must receive an updated Plan of Care at least once every 90 days.

■ **Who can obtain coverage under this plan?**

Employees, your spouse/domestic partner, adult children, parents, In-laws, siblings, grandparents, step parents, aunts, uncles, and cousins.

■ **What if I am traveling outside the country?**

You're covered! The policy provides a Global Coverage Benefit that pays up to 75% of the Maximum Daily Benefit for out of pocket expenses, for up to 365 days, for care outside the United States, Washington D.C. or Canada

■ Is there a waiting period (deductible) before benefits are paid?

You may be used to paying a deductible which is a part of most kinds of insurance. Transamerica has an Elimination Period, which is similar to a deductible; however, it is calculated in time instead of a certain amount of money. An Elimination Period is the number of days that you are responsible for paying the cost of covered Long Term Care services before your Policy begins to pay benefits. The policy offered has a 90 day elimination period,

Transamerica has also maximized the Home Care and Adult Day Care Benefit by adding an automatic 0-day Elimination Period to this benefit.

■ Do I need Long Term Care Insurance?

Your personal Health Insurance and Medicare typically cover only the first 90-100 days of a care need. The expense of a care needed after that time must be covered in some other way such as from savings, retirement funds or other financial means. In 2012, the national average cost* was:

- Private room in a nursing home - \$90,520/year
- Assisted living facility - \$42,600 /year
- Home health care - \$21.00/hour

■ How does the benefit become payable?

Like with other types of insurance, you have to qualify before you can receive benefits. To qualify for benefits under the policy, its riders and endorsements, Transamerica must receive a Plan of Care that specifies what Qualified Long Term Care Services are needed because you are a Chronically Ill Individual. This means that a Licensed Health Care Practitioner has certified within the last 12 months that:

- You require Substantial Assistance due to your inability to perform at least two Activities of Daily Living (ADLs) for a period expected to last at least 90 days due to a loss of functional capacity.

OR

- You require Substantial Supervision to protect you from threats of health and safety due to Severe Cognitive Impairment.

Activities of Daily Living defined in your Policy are: Bathing, Continenence, Dressing, Eating, Toileting and Transferring.

This Policy provides coverage for mental and nervous conditions, including Alzheimer's disease and Parkinson's disease and senile dementia as long as you are certified by a Licensed Health Care Practitioner as being a Chronically Ill Individual. Benefits are subject to the Elimination Period, provisions, exclusions and limitations of the Policy. Your Policy will describe your coverage in detail and will be the sole basis for making any benefits determination.

■ What are the LTC Plan Options available? See rates/calculator on www.EdgecombeLTC.com

- Benefit Amounts: \$50/day, \$100/day, or \$150/day reimbursement
- Durations: 3 year or 5 year duration
- Lifetime Maximums: From \$54,750 to \$273,750 available
(daily benefit x 365 days x duration – i.e. \$100/day x 365 days x 3 = \$109,500)
- Inflation Protection: 3% compound or 5% compound inflation protection
Both the daily benefit amount and the lifetime maximum amount will grow in accordance with the selected inflation benefit amount annually.
- Additional options such as Return of Premium Upon Death Rider are available at an additional cost to you.

■ What group rate discounts are available to Edgecombe Community College employees?

You and your family members automatically receive both unisex rates and 5% off the rate Transamerica would charge someone who purchases an individual policy through an insurance agent. In addition, if you are married, you would receive an additional 10% discount (total discount of 15% off the individual rate). Finally, if you and your spouse/domestic partner both apply and are approved for identical coverage, you would receive a 20% discount (total discount of 25%).

■ What happens if none or only some of the LTC benefit gets used before the person passes away?

In general, unused benefits have no cash value after the death of the Insured. In some situations, all or part of the premiums paid for the policy may be returned to a beneficiary or to your estate. Return of premium provisions depend on where the applicant resided when they purchased the policy, the age at which the Insured dies and coverage choices made when the policy was purchased. The various scenarios are described below.

- Applicants in all states may purchase an additional cost **Return of Premium Upon Death Rider**. With this rider, the beneficiary named on your application or your estate (if no beneficiary is named) will receive a lump sum totaling your premiums paid less claims paid. This may allow your heirs to receive the premiums you paid over the life of the Policy. This rider is not available with the Shared Care Benefit Rider.
- **Return of Premium to Age 67** is included in policies issued in all states except California and Florida. If you are under the age of 67 when you die, this benefit will pay a benefit to the beneficiary named on your application or to your estate (if no beneficiary is named) in the amount of premiums paid less claims paid. This provision is only available to applicants under age 67. Premiums paid will exclude any waived premiums and will be accumulated without interest.

■ How is the LTC insurance premium determined and is the employee contribution deducted pre-tax or after-tax?

The LTC insurance premium is determined by the age of the individual at time of enrollment and if the employee is married. Employee LTC contributions are deducted after-tax. You are able to reimburse yourself from an HSA (Health Savings Account) up to certain dollar limits to actually fund LTC premiums on a pre-tax basis. The LTC premiums cannot be reimbursed under a FSA (Flexible Spending Account).

■ What kind of questions do I have to answer to apply for the LTC insurance?

As an employee, we ask you to complete a 3 question Eligibility questionnaire and a 4 question Health questionnaire. **If we don't receive enough applicants, full underwriting will be required of all applicants.**

■ Will my family members who are interested in applying for LTC insurance be able to answer the 4 health questions too?

No, they must go through the full underwriting questions and be approved by Transamerica.

■ Can my family members apply for LTC insurance if I don't apply for the LTC insurance coverage?

Yes, but again, they must go through full underwriting.

■ **Can I purchase individual LTC insurance with Transamerica elsewhere?**

Yes, you can purchase individual Transamerica LTC coverage but you would not get the worksite discount of 5% or the reduced underwriting. This is a special offer for Edgecombe Community College and not available on an individual marketplace offer.

■ **What are the benefits of taking LTC insurance if I am young?**

Long Term Care insurance pricing is based on age, so younger applicants may be able to take advantage of lower pricing during their early years. If you are approved for LTC insurance, you will be locked into the age group based on when you enrolled in the LTC insurance. Therefore, if the premium with Transamerica goes up, it will be based on your age when you enrolled and not your future age at the time of a rate increase.

■ **Does the LTC insurance premium go up every year?**

No. Premiums are determined by your age when you enroll and will not increase due to changes in your age or health. Transamerica can apply for rate increases on these plans, which must be approved by state insurance regulators. This plan includes a 5 year Rate Guarantee. When the Rate Guarantee ends, your premium will be adjusted by any premium increases that may occur during the Rate Guarantee period. Increases in premium may occur only after the Rate Guarantee has expired. Transamerica must give you at least 60 days written notice before they change your premiums. Rate Increases would be effective on the policy anniversary date.

■ **Can I stop my LTC insurance and paycheck contribution at any time?**

Yes, you can cancel your insurance as soon as administratively possible with a 30 day notice. It does not need to be due to a family status change. If you decide to elect LTC again at Open Enrollment in a future year, you may be subject to full underwriting.

■ **If I stop my LTC insurance, will I lose all the premiums that I have paid into the coverage?**

All policies offer an optional Shortened Benefit Period Rider. If you do not have this rider, your premiums are lost if you stop your long term care insurance. The Shortened Benefit Period Rider provides for the Policy to continue on a limited basis if it would have otherwise lapsed because you stopped paying premiums.

Your Policy must have been in effect for at least 3 full years before this Rider will pay benefits. The daily benefit amounts available will be the same amounts in effect at the time the coverage would have lapsed. The total benefit amount in force will be equal to all of the premium paid for all coverage combined, including this Rider. This amount will exclude any waived premiums.

The minimum Policy Maximum Amount will be equal to 30 times the Long Term Care Facility Maximum Daily Benefit at the time the coverage would have lapsed. All optional coverage, including any other riders, will end when your coverage is continued under this Rider. If a Benefit Increase Option Rider of any kind was in force at the time your coverage would have lapsed, the benefits will NOT continue to increase.

You will need to elect this buy-up option at the time of your application and your rate will be adjusted. Premiums are only returned upon the death of the insured, and the policy must be in force when the death occurs.

■ **Can I take my LTC insurance with me if I leave Edgecombe Community College?**

Yes, your LTC insurance is portable at the current rates in effect. You will be responsible for paying the full premium directly to Transamerica. Transamerica would notify you directly about any future rate increases.

■ **If I elect not to enroll in LTC insurance when it is initially offered, can I elect to enroll at a later date?**

If the initial participation in the plan is met, enrollment will occur annually during an Open Enrollment period. Your premium will be higher since it is based on your age on your effective date. You may need to also complete full underwriting if you waived the LTC option when it is first offered to you. New hires during the year and employees with less than 6 months service during the initial enrollment, may enroll at the next Open Enrollment Period.

■ **What if I already have a Long Term Care insurance policy in place? How will this policy coordinate benefits with my existing one?**

Generally, the older policy will be primary and this will be secondary. This policy will also be secondary to benefits under a cash LTC benefit or Medicare. Please consult your financial advisor or your insurance agent for more details on coordination of benefits.

■ **Must I be actively at work on July 1, 2015 in order for the policy to become effective?**

All applications must be complete by March 31, 2015. Payroll deductions begin in June at the earliest and the Policy Effective Date is July 1, 2015. Premiums are based on the applicant's age on the Policy Effective Date.

Underwriting decisions are based on the applicant's health on the date of the completed application. Changes in health after the application submission date do not affect the underwriting decision. Applicants do not have to be actively at work on the Policy Effective Date.

■ **Who should I contact for more information?**

You can refer to the website: www.EdgecombeLTC.com for more information on long-term care in general, specifics on your plan and online enrollment. You can also contact AGIS Network at **855-328-8052** with any questions you may have and they will be happy to assist you.

■ **Does this benefit pay if I'm residing outside the US and need LTC?**

You may access up to 75% of your daily benefit for up to 365 Days, with appropriate claims documentation. In all states, your cash alternative benefit may also be used for care outside the US, District of Columbia or Canada.

■ **If I buy a policy in one state, and relocate later to another state, does my policy change?**

No. Once your policy is in place, it does not change. The benefits remain the same regardless of which state you live in.

■ **If I leave Edgecombe Community College before the policy becomes effective, am I still eligible to be covered?**

The employee can still be covered under the Edgecombe Community College program as long as their first payment is made via the Edgecombe Community College list bill.

This “Long Term Care Frequently Asked Questions” informational sheet is a general summary of the policies under the Edgecombe Community College Long Term Care group contract with Transamerica Insurance. If there is any inconsistency between the information provided here and the individual policies, the policies will prevail.