



TRANSAMERICA LIFE INSURANCE COMPANY

## LONG TERM CARE IS A FAMILY MATTER

*What does family mean to you?*



**FAMILY** can mean different things to different people



**WHAT DOES FAMILY MEAN TO YOU?**

To call someone family means something. Family can be blood relatives, your children or your circle of closest friends. Family could be a partner, spouse, or siblings. Whoever family is to you, it's important to consider how your health and well being affects them.

Family members are sometimes willing to provide care for a loved one, if they live nearby and can rearrange their schedules or careers. But as needs grow more challenging, daily care may become too demanding for family members to provide. Planning now may help maintain your family's ability to continue living their own lives in the future.

In 2009, about **66 MILLION AMERICANS** provided unpaid care for a chronically ill, disabled or aged **FAMILY MEMBER** or **FRIEND**, almost **ONE-THIRD** of the U.S. adult population.<sup>1</sup>

OUT OF **10**

As life expectancies **GROW** so does the **NEED** for long term care. Estimates state that **SEVEN IN 10 AMERICANS** older than 65 will require long term care for an average of three years.<sup>2</sup>



<sup>1</sup> America's Long-Term Care Crisis: Challenges in Financing and Delivery. Bipartisan Policy Center. April 2014.

<sup>2</sup>T. Thomson et al., Long-Term Care: Perceptions, Experiences, and Attitudes among Americans 40 or Older (The Associated Press-NORC Center for Public Affairs Research, April 2013).

## “WHAT IS LONG TERM CARE?”

Long term care may be more than what you think. It is not just about the elderly or nursing homes. In fact, long term care is increasingly about practical solutions to help you stay in your home longer. Long term care is generally not medical care. Rather, it is the assistance needed with the normal Activities of Daily Living (ADL). It includes many different types of care services and products. These services are provided in a variety of care settings - including the home - extending over an indefinite amount of time.

And while you may be the one in need, long term care is not just about you; long term care is a family matter.

Have you ever experienced an intense illness that left you helpless for a few days? Perhaps you’ve had an injury, like a broken bone or a strained muscle, which prevented you from moving around or doing the things you could normally accomplish alone. You may have needed help getting dressed, preparing a meal, or bathing. Who did you call on and why? How did your short-term situation affect your work or finances? More importantly, how did you adjust to being temporarily dependent upon others?

Nothing can derail us quite like an unexpected illness or injury, especially when it affects our ability to care for ourselves. In times like these we typically rely on the availability and capability of a spouse, friends or family to help. But what if the situation is not short-term and continues for years instead of days?



An illness or disease, accident, or severe cognitive impairment could make it difficult or impossible for you to carry out your normal activities of daily living without help.

*Who would have the ability and the means to care for you if such a situation occurred?*

*How would you pay for expenses associated with your extended care?*

*How would your long-term situation affect your family?*

*Would you be able to stay in your home and for how long?*

## Activities of Daily Living (ADL)



TRANSFERRING



CONTINENCE



BATHING



TOILETING



DRESSING



EATING



# Who Pays for Long Term Care?

## LONG TERM CARE SERVICES ARE EXPENSIVE

The long term care services you may need can be very expensive. Below are the national average costs for the most used long term care services.<sup>3</sup> These costs may be higher or lower where you live.

	Cost Per Hour/Day <sup>3</sup>	Annual Cost <sup>3</sup>
Home Health Aide	\$21 Per Hour	\$30,660 (4 hours a day, 7 days a week)
Homemaker services	\$19 Per Hour	\$27,740 (4 hours a day, 7 days a week)
Adult Day Care Center	\$69 a day	\$25,185
Assisted Living Long Term Care Facility (one bedroom unit)	\$110 a day	\$40,200
Nursing Home (semi-private room)	\$209	\$76,285
Nursing Home (private room)	\$233	\$85,045

Long term care is different than short-term illnesses where you will get better and the costs may be more manageable. The expenses for long term care may continue to mount for a long time, and those bills can be very expensive. The national average cost for a Nursing Home is \$233 per day – and a Home Health Aide can cost \$30,000 per year for just four hours a day.<sup>3</sup>

<sup>3</sup>American Association of Long-Term Care Insurance, 2012-2013 AALTCI Sourcebook.



## WON'T THE GOVERNMENT HELP PAY?

There are some common misconceptions held by many individuals about who will pay for your long term care services. What are your choices when it comes to paying for long term care services?

**Not Medicare or Health Insurance** – You may be surprised to learn that Medicare and even most health insurance plans may not cover charges for long term care services.

**Medicaid** – As a public assistance program, Medicaid currently provides services for people with low incomes. Medicaid depends on long term public funding from states and the federal government, both of which are looking for new ways to trim their budgets. This may limit your choices regarding care facility location, privacy, and other preferences you may have for your care. In order to qualify for Medicaid, you must spend down income and savings to be considered low income. This may take away from money that you hoped to spend on retirement or leave to your family.

**Pay from Personal Assets** – This is normally where long term care recipients start. They pay their long term care costs with their own

resources until they can no longer afford it. Then the recipient needs to find other ways to pay, such as help from family members, the community or applying for public assistance.

When it comes down to it, ***you are the one that you can depend on.*** This is why planning ahead can be very important. So what do you do? How can you help be better prepared for your future? Long Term Care insurance may be a solution you should consider.

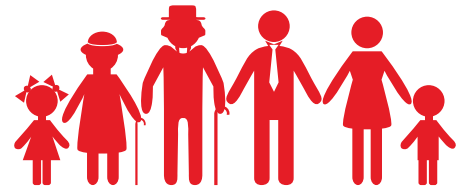


“ **Medicare and Medicaid provide substantial assistance to many people with LTSS (long-term services and supports) needs, but **NEITHER PROGRAM** provides effective insurance that assures *access to appropriate services* and supports or *protection against* financial catastrophe for people who need LTSS.** ”<sup>4</sup>



<sup>4</sup>A Comprehensive Approach to Long-Term Services and Supports. Long-Term Care Commission. September 23, 2013, page 3.

# Long Term Care is a Family Matter



FAMILY



## FAMILY CAREGIVERS

Some people rely on the informal care that can be provided by family and friends and children who often fill the role of caregiver for their parents. Although this type of care may not have an immediate monetary cost that can be quantified, there are still costs associated with the emotional impact of caring for a loved one. And for many, this role can become too demanding.

*85% of care provided at home is delivered by unpaid family caregivers.<sup>5</sup>*

Caregivers face challenges that affect not only their personal activities but also their work and career as well. If your children need to work to support their families, the role of caregiver may become burdensome.

*Most family caregivers report "a good amount" to "a great deal" of caregiving strain concerning financial issues (47%) and family relationships (52%).<sup>5</sup>*

Some caregivers find that they must adjust their work schedule to accommodate the additional responsibility of caregiving. Family caregivers may sacrifice leisure time,

and may suffer stress-related illnesses. Negative effects on working family caregivers can include lost time from work, lower productivity, and lower future earnings.

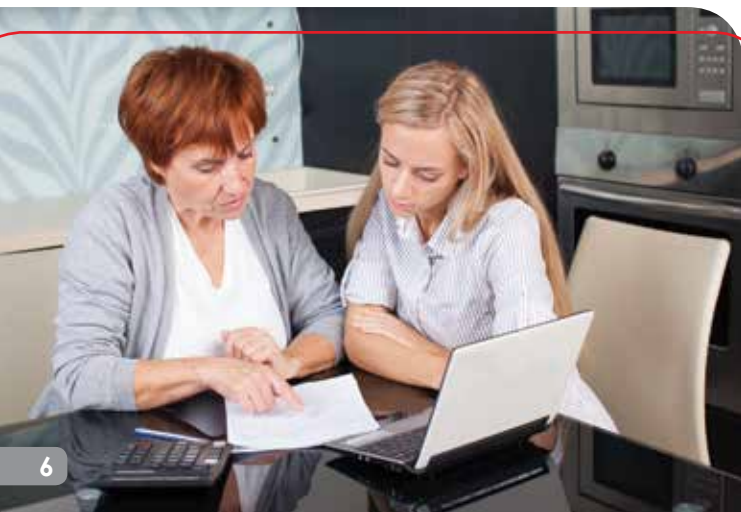
*Family caregiving can be expensive for your children. "Nearly \$3 trillion, or \$2,947,636,000,000.00 represents the lost wages, Social Security benefits, and private pensions for men and women over age 50 who care for their parents."<sup>6</sup>*

This may not only affect their finances now, but it may also diminish the amount of money they can set aside for their own retirement and affect their future health.

*"Because caregiving responsibilities often lead to physical and emotional stress, many experts consider the stress of caregiving to be a public health issue of growing concern."<sup>7</sup>*

Who can help protect your family should you ever need long term care services? **You!**

By planning today with Transamerica Life's Long Term Care insurance, you will be helping to protect yourself and your family.



<sup>5</sup>Alzheimer's Association, 2014 Alzheimer's Disease Facts and Figures. *Alzheimer's & Dementia*, Volume 10, Issue 2.

<sup>6</sup>Chris Farrell. "We Can't Forget the Unpaid Caregivers." *Businessweek*. December, 2012.

<sup>7</sup>Carol V. O'Shaughnessy. *Family Caregivers: the Primary Providers of Assistance to People with Functional Limitations and Chronic Impairments*. National Health Policy Forum. July 20, 2012.

## HOW CAN LONG TERM CARE INSURANCE HELP PROTECT ME AND MY FAMILY?

Long term care insurance can help you with your future's uncertainty in many ways. Long Term Care insurance is written specifically to help cover your future long term care needs. After qualifying for benefits, it reimburses you for the cost of care that you need, and it may help keep you from having to deplete your assets and spend down your savings. It may also allow your family to be overseers of your care and be reimbursed for the services of a professional caregiver.

Long Term Care insurance contains benefits that are designed to help you through the rest of your life once long term care services are needed. From reimbursing you for care provided in your home and home modifications to help make your life easier, to helping you find qualified care in your area or a facility that can meet your needs, Long Term Care insurance helps.

Long Term Care insurance allows you to receive the care you need where and when you need it. It helps protect you and your family from the high costs of care by reimbursing you for the services you receive.





## How We Can Help

### TRANSAMERICA LIFE'S LONG TERM CARE INSURANCE

#### **Know where to go and what to do...**

When a crisis occurs it's natural to turn to family and friends for support and help, but do they have the expertise you need? When it's time to file a claim, Transamerica Life's Long Term Care insurance includes access to a Care Coordinator, a qualified professional that can help walk you and your family through this stressful time. A Care Coordinator can provide information to help you and your family make the best care choices.

#### **Cash for paying family members...**

You may feel more comfortable with a family member or friend caring for you. However, you have already read about the stress that long term caregiving can cause for unpaid caregivers. A Transamerica Life Long Term Care insurance policy will allow you to receive a cash benefit. This can be used to help compensate family members for their time and services.

#### **Immediate access to Home Care Benefits...**

Usually when less care is needed, that care can easily be provided in your home with a little help. Once you

qualify for benefits, Transamerica Life's Long Term Care insurance provides immediate access to home care benefits with 0-day elimination periods<sup>8</sup> for Home Care Benefits.

#### **Receive care in your home...**

The majority of people are most comfortable in their own environment where they feel safe and close to the things they love. Home care helps promote independence and the ability for you to continue a normal routine as long as possible. Transamerica Life's Long Term Care insurance can help you receive the care you need in your home with a number of benefits and may allow you to remain living in your home as long as possible, regardless of age or disability.

#### **Protection if you don't use the policy...**

A Transamerica Life Long Term Care insurance policy includes a Return of Premium Upon Death Before Age 67 benefit. Should you die before age 67 and not use all of your policy, this benefit will return your premiums paid, minus any claims paid, to your beneficiaries.



<sup>8</sup>Elimination Period is the number of days that you are responsible for self-funding your Qualified Long Term Care Services before benefits may be paid (similar to a deductible, but measured in days).



### **Tax advantages of a policy...**

Transamerica Life's Long Term Care insurance is intended to be tax-qualified.<sup>9</sup> With a tax-qualified policy the premiums you pay may qualify as deductible medical expenses. You may also be able to pay your premiums using tax shielded funds, such as a health savings account (HSA). *Consult with your financial or tax advisor for assistance.*

### **A Policy that cannot be canceled...**

You are protected by your policy as long as you pay your premiums. A Transamerica Life Long Term Care insurance policy is Guaranteed Renewable, which means that it cannot be canceled for any reason except for non-payment of premiums. It is a product you can rely on to be there when you need it.



<sup>9</sup>Transamerica Life Insurance Company and its agents and representatives do not give tax or legal advice. This material and the concepts presented here are for information purposes only and should not be construed as tax or legal advice. Any tax and/or legal advice you may require or rely on regarding this material should be based on your particular circumstances and should be obtained from an independent professional advisor.



## What are you waiting for?

### **THE BEST TIME TO BUY LONG TERM CARE INSURANCE IS NOW – BEFORE YOU NEED IT.**

The moment you need long term care services, you will no longer qualify to purchase Long Term Care insurance. That time may arrive as an unexpected accident, a sudden onset of a prolonged disease, the gradual process of aging, or not at all. But statistics show that more than not, you will likely need some long term care services during your lifetime.<sup>10</sup>

A common thought is that you will save money if you wait to buy Long Term Care insurance until you are older. However, that is not usually true. Two

main determining factors in setting your initial Long Term Care insurance premium are your health and your age. And generally, the younger you are, the less the premium will cost. You should also consider:

- An insurance company will only insure if you can health qualify, and usually most people are healthier when they are younger.
- Purchasing at a younger age may allow you to receive a good health discount that will be applied for the lifetime of the policy.
- Since premiums normally increase with age, you may end up paying more if you wait.

Once your policy is issued it cannot be revoked regardless of your health unless you do not pay the premium. It will be there for you when you need it most.



<sup>10</sup>Centers for Medicare & Medicaid Services. *Medicare & You* 2015. September 1, 2014. Page 63.

## HERE FOR THE LONG TERM

An unforeseen long term care need could seriously impact your future. And with Long Term Care insurance, you may not need to make a claim for many years, so you want to make sure the company you choose will be there for the long term. Knowing that you have a policy with a company you can trust is important.

Transamerica Life Insurance Company has helped protect families and provided dependable service for over a century, with over 25 years experience specifically focused on comprehensive Long Term Care insurance.

Transamerica Life has been serving the Long Term Care insurance market since 1987. Transamerica Life serves more than 300,000 policyholders and provides over \$1.5 million in benefits and services to our policyholders every day.<sup>11</sup>

If you need to make a Long Term Care insurance claim, it's good to know that Transamerica Life is in a strong position to provide the benefits you need when you need them. The bottom line is that you can depend on us. We help fulfill our customers' desires for better tomorrows



and we are committed to delivering on our promise of "Protecting Families and Their Dreams".

Long Term Care insurance policies from Transamerica Life have helped many families prepare for unexpected circumstances and responsibilities, and helped protect their dreams against the high costs of long term care services.

**Generally, there is no less expensive time to secure  
LONG TERM CARE INSURANCE than the present.**

**Speak with your insurance agent/producer today  
to see what options may work best for you.**

<sup>11</sup>Internal data from Transamerica Life Insurance Company, as reported Dec. 2014.

## TRANSAMERICA LIFE INSURANCE COMPANY

**The purpose of this advertisement is solicitation for long term care insurance and an insurance agent/producer will contact you.**

This is an individual Long Term Care insurance policy underwritten by Transamerica Life Insurance Company, Cedar Rapids, IA. The policy is intended to be a Tax Qualified Policy designed to meet federal standards. You must qualify before you can receive benefits under the policy. Benefits and premiums may vary by policy. This policy has exclusions, limitations, reduction of benefits, and terms under which the policy may be continued in force or discontinued. All coverage and premium amounts are subject to underwriting approval. For costs and complete details of the coverage, call your insurance producer/agent, or call Transamerica Life and we will have a licensed insurance agent/producer contact you. Policy Series ICC13 TLC-4, ICC10 TLC-3.

**A word about premiums**

Premium rates may vary by gender on some policies.

Although the policy allows the company to adjust premiums as needed, with prior approval if required by the Interstate Insurance Product Regulation Commission or your state's Department of Insurance, we cannot increase your premiums during any applicable rate guarantee period. When a rate guarantee period ends, your premium will be adjusted by any premium increases that may have occurred during the rate guarantee period. We cannot single you out for a premium rate increase, but we can change your premium based on our experience with all insureds in your same premium class. Once we issue your coverage, we cannot cancel your policy as long as you pay your premium on a timely basis.

**Transamerica Life Insurance Company**

Home Office: Cedar Rapids, Iowa

Administrative Office: P.O. Box 869093, Plano, Texas 75086-9093