



LifeSecure Insurance Company Long-Term Care insurance product overview

LTC II with Shareability Option



Blue Cross
Blue Shield
Blue Care Network
of Michigan



The long-term care insurance product is underwritten by LifeSecure Insurance Company and may require a medical exam. LifeSecure is an independent company that does not provide Blue Cross Blue Shield of Michigan products or services. LifeSecure is solely responsible for the long-term care insurance coverage. Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.



LONG-TERM CARE INSURANCE

LTC II *with* *Shareability* *Option*

Standard features

Eligible issue ages: 18 through 79

Premium payment options: Lifetime or 10 year

Care options

Care can be provided in various settings based on your plan of care.

- Costs may be reimbursed **up to your full monthly benefit** for qualified long-term care services provided in the following settings:
 - Your home
 - An assisted living facility
 - A nursing home or hospice care facility
 - An adult day care center
- Informal care may be reimbursed **up to 50 percent of your unused monthly benefit** under the flexible benefit for services provided by a family member or friend in your home.

LifeSecure allows use of both formal and informal care in your home in the same month.



Benefit wait period (90 days)

Once you are verified as chronically ill, you must satisfy the benefit wait period, which is similar to a deductible, to begin receiving benefits (including the flexible benefit). With LifeSecure, your 90-day benefit wait period is based on **calendar days**, not service days.

- You do not need to provide proof of receiving paid services in order to satisfy your benefit wait period.
- Your benefit wait period only needs to be met once during your lifetime.

Flexible benefit

Your long-term care insurance plan includes a flexible benefit, which is designed to provide greater flexibility in the types of care, services and products available to you — beyond those defined as covered expenses. With the flexible benefit, up to 50 percent of the unused* monthly benefit will be available to you, based on your plan of care for:

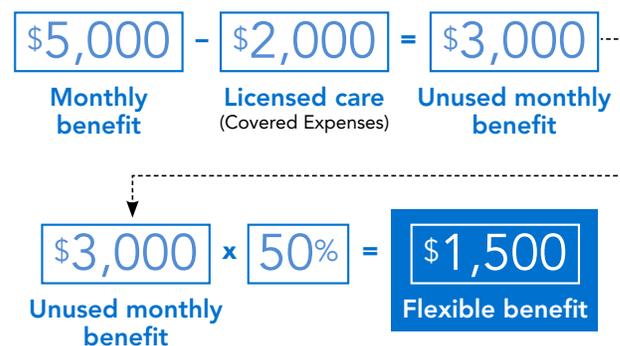
- Care provided by family members – even immediate family members living in the same household, including your spouse (Note: The definition of spouse includes domestic partner.)

- Care provided by friends, neighbors or other informal support networks
- Training for an informal caregiver
- Home modifications, such as a wheelchair ramp or grab bars
- Care-related products or personal supplies, such as a lift chair or hospital bed
- Durable medical equipment or other home medical technology

A combination of formal licensed and informal care are allowed in your home during the same month.

*Unused refers to benefits not reimbursed for normal qualified and defined covered expenses.

Example:



LTC II with Shareability Option

Guaranteed future purchase offers

This benefit is included in your coverage as a standard feature, unless you elect one of the optional compound inflation benefits described in Step 3 of “Choosing a plan is easy.” Under the guaranteed future purchase offers, until you reach age 80 or become eligible for benefits (including during the benefit wait period), you can increase your current Benefit Bank and monthly benefit by 15 percent every three years, regardless of how many times you have declined previous offers. You may accept each offer without submitting evidence of insurability.

LifeSecure care advisor services

Unlimited access to LifeSecure care advisor services is available to you and your family on the first day you receive your policy. The LifeSecure care advisor can help you with:

- Questions about long-term care
- Recommendations for care providers
- Arrangements for personal care or services

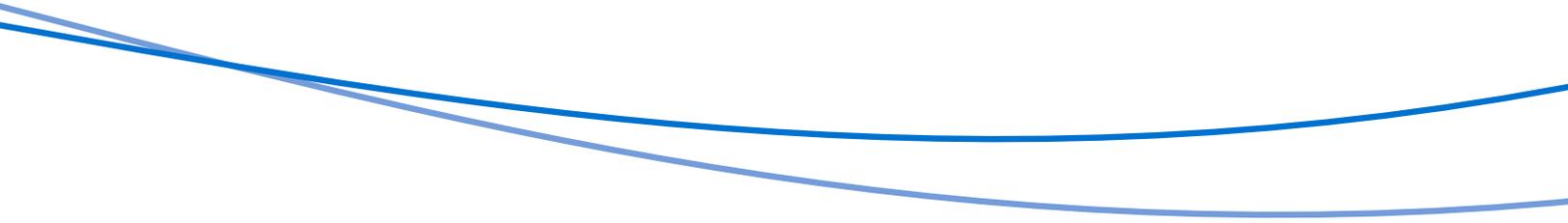
International coverage benefit

If you need care or services while outside the U.S., Canada or their territories or possessions, you'll be eligible for up to 365 days of benefits in an international location throughout the life of your policy. The international coverage benefit is paid on an indemnity basis in U.S. dollars, regardless of actual expenses, as follows:

- 100 percent of the monthly benefit for care provided in a qualified facility
- 50 percent of the monthly benefit for care provided in a home or a community-based setting

Waiver of premium

Your premiums are waived beginning on the first day you start receiving benefits, except under the international coverage benefit. As long as you continue to receive benefits, additional premiums will not be required.



Premium discounts

Spouse discount

If you and your spouse both apply for coverage and are accepted, a 30 percent premium discount will apply to each policy. To qualify for the discount, both individuals must apply for the same policy series. (LTC-0004 or LTC-0005, et al)

Note: The definition of spouse includes domestic partner. A domestic partner means an unmarried individual, not related to you by blood or degree of closeness that would prohibit marriage according to a law in the state where you reside, and with whom you have been living together in a common household for at least three years and have an exclusive mutual commitment, including financial interdependence, similar to that of marriage.

How does long-term care insurance differ from your medical coverage?

Your Blue Cross Blue Shield of Michigan or Blue Care Network medical plan provides benefits to help with costs for medical care you might need — usually due to an injury or illness. The goal of the medical care is to help you heal and get better. Medical care is most often provided in a hospital, doctor's office or outpatient clinic.

Long-term care insurance differs from your medical coverage. It provides benefits for personal care and assistance with everyday activities like eating, bathing and dressing, which you may need due to a physical or cognitive impairment. Long-term care is often provided in your own home, an assisted living facility, adult day care center or nursing home.

Choosing a plan is easy ...

Step 1 – Choose your Benefit BankSM

Choose any amount between **\$100,000** and **\$1,000,000** available in one dollar increments.

Your Benefit Bank represents the lifetime dollar benefit amount available to you. Your Benefit Bank balance is reduced by any benefits paid to you or on your behalf.

Step 2 – Choose your monthly benefit

Choose **1 percent, 2 percent or 3 percent** of your Benefit Bank[†]. Your monthly benefit is calculated as a percentage of your Benefit Bank and represents the maximum dollar benefit amount available on a monthly basis for your long-term care needs.

$$\begin{array}{c} \$ \\ \text{Benefit Bank} \end{array} \times \begin{array}{c} \% \\ \end{array} = \begin{array}{c} \$ \\ \text{Monthly benefit} \end{array}$$

Example: A \$250,000 Benefit Bank with 2 percent access limit provides a monthly benefit of \$5,000. ($\$250,000 \times 2\% = \$5,000$)

When you become eligible for benefits, we'll reimburse you for incurred long-term care covered expenses up to your monthly benefit each calendar month. In a given month, any unused monthly benefit remains in your Benefit Bank and extends the life of your policy.

Step 3 – Choose optional benefit riders*

- Compound Inflation Benefit (3% or 5%)
- Non-forfeiture Benefit
- Money-Back Promise
- Shared Care

* See next page for overview – additional premium required.

Optional benefit riders

Compound Inflation Benefit

If you elect this optional benefit, we'll automatically increase your current monthly benefit and your remaining Benefit Bank by 3 percent or 5 percent each year. The increase will be effective on each anniversary of your policy and rider, even while you are receiving benefits.

Money-Back PromiseSM

If you die while this rider is in force for five or more years, a percentage of the premiums (less benefits paid) is refunded to a beneficiary. Your policy must be in force at the time of death for the Money-Back Promise rider benefits to be payable.

Percent payback of premiums paid	If death occurs in policy years
25%	5 – 9
50%	10 – 14
75%	15+

Non-forfeiture Benefit

If this rider is in force for at least three full years, and then the policy terminates due to nonpayment of premium, this optional benefit allows you to retain a reduced paid-up amount of coverage. You'll have a revised Benefit Bank equal to the greater of 100 percent of the sum of all premiums paid by you or one times your monthly benefit. *Not applicable if Benefit Bank is exhausted prior to lapse.*

Shared Care

This rider gives couples the ability to share benefits in the event that one spouse uses his or her entire Benefit Bank. If your spouse exhausts his or her Benefit Bank, he or she may begin drawing from yours – leaving at least 12 times the monthly benefit for you.

To be eligible for Shared Care, both individuals must have identical coverage selections. The initial Benefit Bank amount may not exceed \$750,000 † per spouse when selecting this rider.

Upon death, any remaining Benefit Bank from the deceased's policy will transfer to the surviving spouse (if applicable), and his or her premium amount will decrease by the cost of the rider.

Example:

Alex and Kim purchase identical insurance policies, including the Shared Care benefit rider.		
Benefit Bank:	Alex \$250,000	Kim \$250,000
Monthly benefit:	Alex \$5,000	Kim \$5,000
Alex receives benefits for \$440,000 of covered long-term care services – the maximum benefit available to him, using \$250,000 from his policy, as well as an additional \$190,000 from Kim's policy.		
Remaining Benefit Bank:	Alex \$0	Kim \$60,000
Kim has not received any benefits, and now has a Benefit Bank of \$60,000 (12 times the \$5,000 monthly benefit). This amount is reserved for Kim's use. <i>Example assumes Kim has not yet incurred a claim.</i>		

Note: For simplicity, this example assumes no compound inflation riders nor the acceptance of guaranteed future purchase offers.

About LifeSecure

LifeSecure is an independent company that does not provide Blue Cross Blue Shield of Michigan products or services. The long-term care insurance product is underwritten by LifeSecure Insurance Company. LifeSecure is solely responsible for the long-term care insurance coverage.

LifeSecure is dedicated to providing uncomplicated insurance solutions to help people protect themselves from unforeseen health-related risks and expenses.

We are proud to offer our second-generation long-term care insurance product – LifeSecure LTC II *with Shareability Option*. It continues our tradition of a straightforward Benefit Bank design and optional benefits to help consumers find the right amount of protection that meets their own personal budgets. And it also offers a Shared Care Benefit Rider, so couples can share coverage should one need to access benefits beyond his or her own policy limits.

Policy Limitations and Exclusions

The policy will not pay benefits for care, treatment, services or charges: for a loss that occurs while the policy is not in force; for alcoholism or drug addiction, except for an addiction to a prescribed medication administered on the advice of a physician; due to declared or undeclared war or act of war; due to participation in a felony, riot or insurrection or involvement in an illegal occupation; due to suicide, attempted suicide or intentionally self-inflicted injury; that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount; that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law; provided outside the U.S., Canada or their territories or possessions, except as provided under the international coverage benefit; for which no charge is made in the absence of insurance, except as provided under the flexible benefit; or provided by an immediate family member (except as provided under the flexible benefit), unless: he or she is a regular employee of an organization which is providing the care, treatment or service; he or she receives no compensation other than the normal compensation for employees in his or her job category; and the organization receives the payment for the care, treatment, service or charge.



**For a proposal and more information,
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