

# EssentialLTC

## Illustration Report

**PREPARED FOR**

Female Age 60

**STATE OF SALE**

Pennsylvania

**PREPARED BY**

Long Term Care Brokers

9 N. 9th St., Suite 705

Philadelphia, PA 19107

Phone: (866) 582-2765

Email: [info@longtermcarebrokers.com](mailto:info@longtermcarebrokers.com)



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This illustration is a general description of benefits selected and is not a policy contract. It is not to be used without the Outline of Coverage for the state listed above. The general policy form is ICC16-NLTC100P . Please refer to the policy for the actual premiums.



**Illustration Report**  
**EssentialLTC**  
**Tax-Qualified LTCi Plan**

State of Sale: Pennsylvania

Date: 12/31/2022

**Client: Female Age 60**

Rate Class: Premier

Gender: F

Age (as of nearest birthday): 60

Agent Name: Long Term Care Brokers

License #:

Email address: info@longtermcarebrokers.com

Telephone #: (866) 582-2765

**Coverage Selected:**

Daily Benefit Amount: Up to \$160

Elimination Period: 90 Days

Benefit Period: 3 Years

Client Benefit Amount (including any Benefit Period Extension rider): \$160 x 1,095 (3 Years) = \$175,200

**Premium Summary:**

**Annual Premium**

Comprehensive (Facility Care Services plus Home and Community Care Services) \$1,989.92

3% Compound Inflation Protection Rider \$1,671.53

**Total Annual Premium (Lifetime Pay): \$3,661.45**

**Alternate Premium Modes:**

**Alternate Premium**

Semi-Annual \$1,903.96

Quarterly \$988.59

Monthly \$320.38

**This is only a quote. Actual premiums may vary by up to one dollar for every thousand dollars of premium.**

**Partnership eligibility: Based on the options you have selected this quote meets the requirements for a Partnership Policy under the Pennsylvania Long Term Care Insurance Partnership Program.**

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# Inflation Protection Growth Comparison

EssentialLTC  
Tax-Qualified LTCi Plan

**Facility Care/Comprehensive:** Comprehensive  
**Elimination Period:** 90 Days  
**Daily Benefit:** Up to \$160  
**Association:** No  
**Inflation Protection Rider:** 3% Compound  
**Premium Payment Option:** Lifetime Premium  
**First Day HCCS Benefit Rider:** No

**Date:** 12/31/2022  
**Client:** Female Age 60  
**Rate Class:** Premier  
**Age:** 60  
**Gender:** F

**Shared Benefit Amount Rider:** No  
**Benefit Period:** 3 Years  
**Nonforfeiture/Return of Premium:** None

**State of Sale:** Pennsylvania

Duration Years	No Benefit Increase		3% Compound Inflation		5% Compound Inflation	
	Daily Benefit Up To	Benefit Amount Up To	Daily Benefit Up To	Benefit Amount Up To	Daily Benefit Up To	Benefit Amount Up To
0	160.00	175,200.00	160.00	175,200.00	160.00	175,200.00
1	160.00	175,200.00	164.80	180,456.00	168.00	183,960.00
2	160.00	175,200.00	169.74	185,865.30	176.40	193,158.00
3	160.00	175,200.00	174.84	191,449.80	185.22	202,815.90
4	160.00	175,200.00	180.08	197,187.60	194.48	212,955.60
5	160.00	175,200.00	185.48	203,100.60	204.21	223,609.95
6	160.00	175,200.00	191.05	209,199.75	214.42	234,789.90
7	160.00	175,200.00	196.78	215,474.10	225.14	246,528.30
8	160.00	175,200.00	202.68	221,934.60	236.39	258,847.05
9	160.00	175,200.00	208.76	228,592.20	248.21	271,789.95
10	160.00	175,200.00	215.03	235,457.85	260.62	285,378.90
15	160.00	175,200.00	249.27	272,950.65	332.63	364,229.85
20	160.00	175,200.00	288.98	316,433.10	424.53	464,860.35
25	160.00	175,200.00	335.00	366,825.00	541.82	593,292.90
30	160.00	175,200.00	388.36	425,254.20	691.51	757,203.45
35	160.00	175,200.00	450.22	492,990.90	882.56	966,403.20
40	160.00	175,200.00	521.93	571,513.35	1126.40	1,233,408.00
45	160.00	175,200.00	605.06	662,540.70	1437.60	1,574,172.00
50	160.00	175,200.00	701.42	768,054.90	1834.78	2,009,084.10

Figures represent dollar values.

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# Inflation Protection Growth Comparison Chart

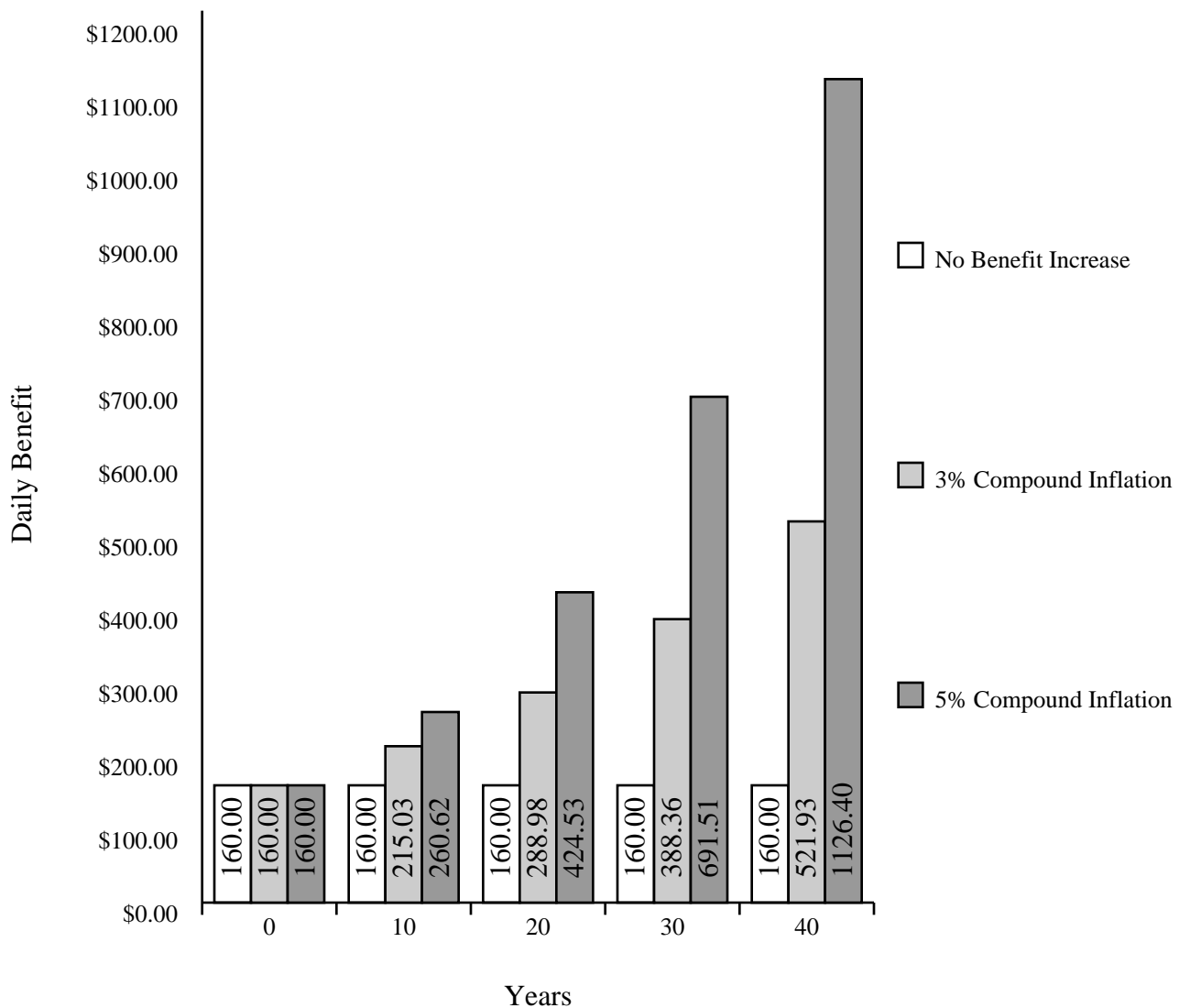
EssentialLTC  
Tax-Qualified LTCi Plan

**Facility Care/Comprehensive:** Comprehensive  
**Elimination Period:** 90 Days  
**Daily Benefit:** Up to \$160  
**Association:** No  
**Inflation Protection Rider:** 3% Compound  
**Premium Payment Option:** Lifetime Premium  
**First Day HCCS Benefit Rider:** No

**Date:** 12/31/2022  
**Client:** Female Age 60  
**Rate Class:** Premier  
**Age:** 60  
**Gender:** F

**Shared Benefit Amount Rider:** No  
**Benefit Period:** 3 Years  
**Nonforfeiture/Return of Premium:** None

**State of Sale:** Pennsylvania



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# Illustration of Benefits

## EssentialLTC Tax-Qualified LTCi Plan

**Facility Care/Comprehensive:** Comprehensive  
**Elimination Period:** 90 Days  
**Daily Benefit:** Up to \$160  
**Association:** No  
**Inflation Protection Rider:** 3% Compound  
**Premium Payment Option:** Lifetime Premium  
**First Day HCCS Benefit Rider:** No

**Date:** 12/31/2022  
**Client:** Female Age 60  
**Rate Class:** Premier  
**Age:** 60  
**Gender:** F

**Shared Benefit Amount Rider:** No  
**Benefit Period:** 3 Years  
**Nonforfeiture/Return of Premium:** None

**State of Sale:** Pennsylvania

Year	Client	
	Annual Premium	LTC Benefit Amount*
0	3,661	175,200
1	3,661	180,456
2	3,661	185,865
3	3,661	191,450
4	3,661	197,188
5	3,661	203,101
6	3,661	209,200
7	3,661	215,474
8	3,661	221,935
9	3,661	228,592
10	3,661	235,458
15	3,661	272,951
20	3,661	316,433
25	3,661	366,825
30	3,661	425,254
35	3,661	492,991
40	3,661	571,513
45	3,661	662,541
50	3,661	768,055

\*The Benefit Amount shown reflects the Benefit Amount that is available during the policy year, assuming no claims paid. The Benefit Amount will be increased for COLA and reduced by claims paid during the benefit period.

Figures are rounded to the nearest dollar.

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# Plan Matrix Report

EssentialLTC  
Tax-Qualified LTCi Plan

**Facility Care/Comprehensive:** Comprehensive  
**Elimination Period:** 90 Days  
**Daily Benefit:** Up to \$160  
**Association:** No  
**Inflation Protection Rider:** 3% Compound  
**Premium Payment Option:** Lifetime Premium  
**First Day HCCS Benefit Rider:** No

**Date:** 12/31/2022  
**Client:** Female Age 60  
**Rate Class:** Premier  
**Age:** 60  
**Gender:** F

**Shared Benefit Amount Rider:** No  
**Benefit Period:** 3 Years  
**Nonforfeiture/Return of Premium:** None

**State of Sale:** Pennsylvania

**Payment Option: Lifetime**

	No Benefit Increase			3% Compound Inflation			5% Compound Inflation		
	30 Days	90 Days	180 Days	30 Days	90 Days	180 Days	30 Days	90 Days	180 Days
2 yr	2,070	1,592	1,274	3,808	2,929	2,343	6,747	5,190	4,152
3 yr	2,587	1,990	1,592	4,760	<b>3,661</b>	2,929	8,433	6,487	5,190
4 yr*	3,053	2,348	1,878	5,617	4,321	3,456	9,951	7,655	6,124
5 yr*	3,363	2,587	2,070	6,188	4,760	3,808	10,963	8,433	6,747
6 yr*	3,751	2,885	2,308	6,902	5,309	4,247	12,228	9,406	7,525
Life*	5,950	4,577	3,661	10,948	8,421	6,737	19,397	14,920	11,936

\* Available with 3 year benefit period and applicable benefit period extension rider.

Figures represent annual premium dollars, rounded to the nearest dollar.

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# Plan Matrix Report

EssentialLTC  
Tax-Qualified LTCi Plan

**Facility Care/Comprehensive:** Comprehensive  
**Elimination Period:** 90 Days  
**Daily Benefit:** Up to \$160  
**Association:** No  
**Inflation Protection Rider:** 3% Compound  
**Premium Payment Option:** Lifetime Premium  
**First Day HCCS Benefit Rider:** No

**Date:** 12/31/2022  
**Client:** Female Age 60  
**Rate Class:** Premier  
**Age:** 60  
**Gender:** F

**Shared Benefit Amount Rider:** No  
**Benefit Period:** 3 Years  
**Nonforfeiture/Return of Premium:** None

**State of Sale:** Pennsylvania

**Payment Option: 10 Pay**

	No Benefit Increase			3% Compound Inflation			5% Compound Inflation		
	30 Days	90 Days	180 Days	30 Days	90 Days	180 Days	30 Days	90 Days	180 Days
2 yr	4,925	3,789	3,031	10,442	8,032	6,426	18,372	14,132	11,306
3 yr	6,157	4,736	3,789	13,052	10,040	8,032	22,965	17,665	14,132
4 yr*	7,265	5,588	4,471	15,402	11,848	9,478	27,099	20,845	16,676
5 yr*	8,004	6,157	4,925	16,968	13,052	10,442	29,854	22,965	18,372
6 yr*	8,927	6,867	5,494	18,926	14,558	11,647	33,299	25,615	20,492
Life*	14,161	10,893	8,714	30,021	23,093	18,474	52,819	40,630	32,504

**Payment Option: Single Pay**

	No Benefit Increase			3% Compound Inflation		
	30 Days	90 Days	180 Days	30 Days	90 Days	180 Days
2 yr	41,887	32,221	25,777	88,800	68,308	54,646
3 yr	52,359	40,276	32,221	111,001	85,385	68,308
4 yr*	61,783	47,526	38,021	130,981	100,754	80,604
5 yr*	68,066	52,359	41,887	144,301	111,001	88,800
6 yr*	75,920	58,400	46,720	160,951	123,808	99,047
Life*	120,425	92,635	74,108	255,301	196,386	157,109

	5% Compound Inflation		
	30 Days	90 Days	180 Days
2 yr	156,239	120,184	96,147
3 yr	195,298	150,229	120,184
4 yr*	230,452	177,271	141,817
5 yr*	253,888	195,298	156,239
6 yr*	283,182	217,833	174,266
Life*	449,186	345,528	276,422

\* Available with 3 year benefit period and applicable benefit period extension rider.

Figures represent annual premium dollars, rounded to the nearest dollar.

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# Age Matrix Report

EssentialLTC  
Tax-Qualified LTCi Plan

**Facility Care/Comprehensive:** Comprehensive  
**Elimination Period:** 90 Days  
**Daily Benefit:** Up to \$160  
**Association:** No  
**Inflation Protection Rider:** 3% Compound  
**Premium Payment Option:** Lifetime Premium  
**First Day HCCS Benefit Rider:** No  
**Payment Mode:** Annual

**Date:** 12/31/2022

**Shared Benefit Amount Rider:** No  
**Benefit Period:** 3 Years  
**Nonforfeiture/Return of Premium:** None

**State of Sale:** Pennsylvania

Age	Single Female Premier
40	2,383
41	2,423
42	2,474
43	2,514
44	2,555
45	2,609
46	2,651
47	2,706
48	2,750
49	2,807
50	2,851
51	2,923
52	2,996
53	3,071
54	3,146
55	3,239
56	3,318
57	3,397
58	3,478
59	3,578
60	3,661
61	3,844
62	4,033
63	4,252
64	4,454
65	4,691
66	4,937
67	5,192
68	5,457
69	5,731
70	6,015
71	6,490
72	7,002
73	7,552
74	8,204
75	8,846
76	9,536
77	10,277
78	11,073
79	12,023

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Home Office: Madison, WI

Long Term Care Administrative Office: LifeCare Assurance Company; PO Box 4243, Woodland Hills, CA 91365-4243  
888.505.2332 • Fax 818.887.4595 • www.ngl-essentialtc.com

## LONG TERM CARE INSURANCE OUTLINE OF COVERAGE

### Policy Form Numbers: ICC16-NLTC100P or ICC18-NLTC100P-E

**Notice To Buyer:** This policy may not cover all of the costs associated with long-term care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all policy limitations.

**Caution:** The issuance of this long-term care insurance policy is based upon Your responses to the questions on Your application. A copy of Your application will be attached to any issued policy. If Your answers are incorrect or untrue, the Company has the right to deny benefits or rescind this policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, contact the Company at this address: National Guardian Life Insurance Company, Long Term Care Administrative Office, Post Office Box 4243, Woodland Hills, CA 91365-4243.

1. This policy is an individual policy of insurance.

#### 2. PURPOSE OF OUTLINE OF COVERAGE

This outline of coverage provides a very brief description of the important features of this policy. You should compare this outline of coverage to outlines of coverage for other policies available to You. This is not an insurance contract, but only a summary of coverage. Only the individual policy contains governing contractual provisions. This means that this policy sets forth in detail the rights and obligations of both You and the insurance company. Therefore, if You purchase this coverage, or any other coverage, it is important that You READ YOUR POLICY CAREFULLY!

#### 3. FEDERAL TAX CONSEQUENCES

This POLICY is intended to be a federally tax-qualified long-term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.

#### 4. TERMS UNDER WHICH THIS POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED

(a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means You have the right, subject to the terms of this policy, to continue this policy as long as You pay Your premiums on time. National Guardian Life Insurance Company cannot change any of the terms of this policy on its own, except that, in the future, IT MAY INCREASE THE PREMIUM YOU PAY.

#### (b) Waiver of Premium

We will waive the payment of future premiums that become due for the policy and any attached riders once We begin paying benefits for Facility Care Services (either insured under joint coverage), and for as long as We continue to pay benefits for Facility Care Services under the terms of this policy. The premium will be waived based on the premium mode in effect at the time We begin paying benefits for Facility Care Services. Premium payments will again become payable on the next renewal date after Your confinement for Facility Care Services ends or when You are no longer receiving benefits for Facility Care Services.

If You select a Comprehensive policy a Waiver of Premium Rider attaches to Your policy which extends the waiver of premium benefit to Home and Community Care Services and will be shown on Your Policy Schedule. We will waive the payment of future premiums that become due for the policy and any attached riders once We begin paying benefits for either Facility Care Services or Home and Community Care Services (either insured under joint coverage). The premium will be waived for as long as We continue to pay benefits for Facility Care Services, the Facility Bed Reservation benefit, or Home and Community Care Services under the terms of this policy and any attached riders. The premium will be waived based on the premium mode in effect at the time We begin paying benefits for Facility Care Services or Home and Community Care Services. Premium payments will again become payable on the next renewal date after You are no longer receiving benefits for Facility Care Services or Home and Community Care Services.

**5. TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS**

The Company has a right to change the premium. We can only change the premium for this policy if We change premiums for everyone in Your state with the same policy form. We will give You at least 60 days written notice at Your last address shown in Our records before We change Your premium.

**6. TERMS UNDER WHICH THIS POLICY MAY BE RETURNED AND PREMIUM REFUNDED**

- (a) If You are not satisfied with this policy, You have 30 days to return it to Us or any authorized agent or agency for a full refund of any premium You have paid. We will then refund any premium paid directly to the payer within 30 days of the date You return this policy.
- (b) Upon Your death (last of Your deaths under joint coverage), We will refund any unearned premium for this policy on a pro rata basis. We will make this refund within 30 days of Our receipt of proof of Your death. If You cancel this policy after 30 days, any unearned premium will be refunded to You on a pro rata basis. If You purchase an optional Limited Return of Premium Rider, all of the premiums paid for this policy and attached riders, reduced by the total of benefits received, will be returned to Your Beneficiary upon Your death (last of Your deaths under joint coverage).

**7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE**

If You are eligible for Medicare, review the *Guide to Health Insurance for People with Medicare* available from the insurance company. Neither National Guardian Life Insurance Company nor its agents represent Medicare, the federal government or any state government.

**8. LONG TERM CARE COVERAGE**

Policies of this category are designed to provide coverage for one or more necessary diagnostic, preventive, therapeutic, rehabilitative, Maintenance or Personal Care Services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home.

This policy provides coverage for Qualified Long Term Care Services in the form of an expense incurred benefit for covered long term care expenses, subject to policy Elimination Periods, Limitations and Exclusions described below.

**9. BENEFITS PROVIDED BY THIS POLICY**

**(a) Covered Services**

This policy provides benefits for Qualified Long Term Care Services performed in a nursing facility or an assisted living facility and Maintenance or Personal Care Services performed in an assisted living facility. Benefits are also provided for Facility Bed Reservation and Respite Care Services. In addition, You may select coverage under this policy for Home and Community Care Services, including benefits for home health care, adult day care, hospice services and Caregiver Training. An Emergency Response System benefit is also available when Home and Community Care Services are selected.

**(b) Elimination Period**

This is the number of days You must satisfy the conditions on Eligibility for Payment of Benefits and receive either Facility Care Services or Home and Community Care Services (if covered under this policy) before We will begin paying benefits. You may choose an Elimination Period of 30, 90 or 180 days. Once You have satisfied the Elimination Period, no future Elimination Period is required. Days may be accumulated under separate claims in order to satisfy the Elimination Period. The Elimination Period applies to each insured individually under joint coverage.

For an additional premium, an optional First Day Home and Community Care Services Rider is available. This rider will waive any Elimination Period required for Home and Community Care Services (if selected by You and shown on Your Policy Schedule). This rider is described below.

**(c) Benefit Amount**

The Benefit Amount is determined by multiplying the Daily Benefit selected by the Benefit Period selected - 2 Years (730 days) or 3 Years (1,095 days). By purchasing the optional Benefit Period Extension Rider, the 3 Year Benefit Period can be extended to 4 Years (1,460 days) or 5 Years (1,825 days) or 6 Years (2,190 days) or to Lifetime coverage. The result will be Your Benefit Amount for all benefits payable under this policy. Under joint coverage, this policy provides for a separate Benefit Amount for each insured. For an additional premium payment, a Shared Benefit Amount Rider is also available, as described below.

**(d) Coverage Outside the United States**

Benefits are payable for Qualified Long Term Care Services received outside the United States or its territories, or Canada for up to 30 days per calendar year. The benefit payable under this policy will be the actual daily charges You incur for covered services, up to the Daily Benefit You select. Benefits paid are subtracted from the Benefit Amount.

**(e) Facility Care Services Benefit**

Benefits are payable for Qualified Long Term Care Services (including skilled, intermediate or custodial nursing care) provided to You in a nursing facility or assisted living facility and Maintenance or Personal Care Services performed in an assisted living facility. The benefit payable under this policy will be the actual daily Facility Care Services charges You incur, up to the Daily Benefit You select. You may choose a Daily Benefit of up to \$300 per day. Premium rates will vary according to the Daily Benefit You select. Benefits paid are subtracted from the Benefit Amount.

**(f) Facility Bed Reservation Benefit**

This benefit is payable if You are receiving Facility Care Services benefits under this policy, You incur a temporary absence from the facility and are charged by the nursing facility or assisted living facility to reserve Your accommodations. The benefit payable will be the actual daily charges You incur for the reservation, up to the Daily Benefit selected. This benefit is payable for a maximum of 30 days per calendar year. Benefits paid are subtracted from the Benefit Amount.

**(g) Home and Community Care Services Benefit**

This benefit will only be covered under this policy if it is selected by You and shown on the Policy Schedule page of this policy. Benefits are payable for home health care provided through a qualified Home Health Care Agency in a setting other than a hospital, nursing facility or assisted living facility. Home health care includes professional nursing care by or under the supervision of an RN or other licensed nurse; care by a qualified Home Health Aide; therapeutic care services by or under the supervision of a speech, occupational, physical, or respiratory therapist, licensed or certified under state law, if any; services provided by a registered dietician or homemaker services. Benefits are also payable for adult day care, hospice services and Caregiver Training.

The benefit payable under this policy will be the actual Home and Community Care Services charges You incur, up to the Daily Benefit You select. Premium rates will vary according to the Daily Benefit You select. Benefits paid are subtracted from the Benefit Amount.

**(h) Emergency Response System**

This benefit is payable if You are receiving Home and Community Care Services benefits under this policy. We will reimburse You for charges You incur for use of this system, up to \$50 per month. This will include a device or system installed in Your residence that provides You with a means of communication to request assistance in the event of a medical emergency. Benefits paid are subtracted from the policy Benefit Amount.

**(i) Caregiver Training Benefit**

If Home and Community Care Services are selected, this benefit provides for training by a health care professional to an informal caregiver. The informal caregiver may be an unpaid member of Your Family, a friend or neighbor.

The benefit payable under this policy will be the actual Caregiver Training charges incurred, up to a Maximum Lifetime Caregiver Training Benefit that is equal to five times the Daily Benefit selected. You need not satisfy the Elimination Period to receive this benefit; however, use of the benefit does not count toward satisfaction of the Elimination Period for any other benefits payable under this policy. Benefits paid are subtracted from the Benefit Amount.

**(j) Respite Care Services Benefit**

Benefits are payable for Qualified Long Term Care Services provided on a short term basis to relieve Family or friends who are the primary caregivers in Your residence. Such services may be provided in Your home, a nursing facility, assisted living facility or through a community based program.

The benefit payable under this policy will be the actual daily Facility Care Services or if selected, Home and Community Care Services charges incurred, up to the Daily Benefit chosen. The Respite Care Services Benefit is payable for a maximum of 30 days per calendar year. You need not satisfy the Elimination Period to receive this benefit; however, use of the benefit does not count toward satisfaction of the Elimination Period for any other benefits payable under this policy. Benefits paid are subtracted from the Benefit Amount.

**(k) Optional Care Coordination**

At Your request, if You need Care Coordination assistance related to filing a claim, You may call the toll-free number which will be shown on the Policy Schedule page of this policy and We will arrange for a care coordinator to contact You. The care coordinator will be a Licensed Health Care Practitioner and will: assess and coordinate appropriate care and services; provide assistance in the development of a Plan of Care; if You wish, maintain a continuing role in the arrangement and monitoring of services and assist with necessary claims documentation. You are not required to use these services in order to file a claim, there is no cost to You for their use and no benefits will be deducted from the Benefit Amount.

**(l) Eligibility for Payment of Benefits**

While this policy is in force, You will be eligible for Payment of Benefits if You are Chronically Ill. This means that within the previous 12 months, a Licensed Health Care Practitioner has provided a written Certification that You require:

- Substantial Assistance from an individual to perform at least two (2) Activities of Daily Living (Bathing, Continence, Dressing, Eating, Toileting, Transferring) due to the loss of functional capacity for a period expected to last at least 90 days; or
- Substantial Supervision when You have a Severe Cognitive Impairment to protect You or others from threats to health and safety.

The expected 90-day period for loss of functional capacity does not establish an additional waiting period beyond any Elimination Period selected before benefits become payable.

**10. DEFINITIONS**

**Activities of Daily Living:**

- Bathing: Washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- Continence: The ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- Dressing: Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- Eating: Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
- Toileting: Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

- Transferring: Moving into or out of a bed, chair or wheelchair.

Medication management is not an Activity of Daily Living.

**Beneficiary** means the person or persons named in the application or subsequently changed by written request, to receive any unassigned benefit payments due upon Your death (last of Your deaths under joint coverage).

**Certification** means that because this Policy is intended to be tax-qualified under federal law, a written document from a Licensed Health Care Practitioner that You are a Chronically Ill Individual is required. The Certification must be renewed every 12 months and each renewed Certification must be submitted to Us promptly upon issuance by the Licensed Health Care Practitioner.

**Chronically Ill** means that You require:

- Substantial Assistance from an individual to perform at least two (2) Activities of Daily Living due to the loss of functional capacity for a period expected to last at least 90 days; or
- Substantial Supervision when You have a Severe Cognitive Impairment to protect You or others from threats to health and safety.

**Family** means You and Your spouse or Partner and those related to You, Your spouse, or Your Partner, including parents, grandparents, children, grandchildren, sisters, brothers, aunts, uncles, first cousins, nieces or nephews. This also includes in-laws, step relatives and relatives who have been legally adopted.

**Hands-On Assistance** means the physical assistance of another person without which You would be unable to perform the Activity of Daily Living.

**Home Health Aide** means a person, other than an RN or nurse, who provides Maintenance or Personal Care Services through a Home Health Care Agency. A Home Health Aide must be licensed or certified under state law, if any, and acting within the scope of his or her license or certification at the time the treatment or service is performed.

**Home Health Care Agency** means a hospital, agency, or other provider licensed or certified under state law, if any, to provide home health care. Unless otherwise excluded in this Policy, Home Health Care Agencies include agencies or other providers otherwise named, which provide Qualified Long Term Care Services to a Chronically Ill individual in their home and pursuant to a Plan of Care, including:

- professional nursing care by or under the supervision of an RN or other licensed nurse;
- care by a Home Health Aide;
- therapeutic care services by or under the supervision of a speech, occupational, physical, or respiratory therapist licensed or certified under state law, if any, or a registered dietician;
- homemaker services; or
- Substantial Supervision required due to Severe Cognitive Impairment.

**Licensed Health Care Practitioner means:**

- a physician;
- a registered nurse;
- a licensed social worker; or
- other individual who meets requirements prescribed by the Secretary of the Treasury.

The Licensed Health Care Practitioner must not be a member of Your Family.

**Maintenance or Personal Care Services** means care provided primarily to give needed assistance to You as a result of Your being Chronically Ill (including protection of Your health and safety due to a Severe Cognitive Impairment).

This does not include services provided for comfort, convenience, companionship or entertainment.

**Partner** means an adult who is either:

- named, along with the insured, in a valid certificate or license of civil union recognized by the state in which this policy is issued; or
- has been living with the insured for the past three consecutive years in a committed relationship as the insured's partner or as a member of the insured's family; and
  - is committed to sharing basic living expenses with the insured; and
  - is not married to the insured, or anyone else; and
  - if related to the insured, belongs to the same generation of the insured's family (e.g. brother, sister, or cousin).

**Plan of Care** means a written plan prescribed by a Licensed Health Care Practitioner developed in consultation with You, based upon an assessment indicating You are Chronically Ill. The Plan of Care will recommend the necessary services to be performed. In addition, it will specifically identify the frequency and type of services most suitable to meet Your needs, as well as the most appropriate providers for such services. The Plan of Care is updated as Your needs change.

**Qualified Long Term Care Services** means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services and Maintenance or Personal Care Services, which are required by You when You are Chronically Ill and are provided pursuant to a Plan of Care.

**Severe Cognitive Impairment** means Your deterioration or loss of intellectual capacity, which requires Substantial Supervision by another person to protect yourself or others from threats to health and safety. It is measured by clinical evidence and standardized tests that reliably measure Your impairment in:

- short or long term memory;
- Your orientation as to person (such as who You are), place (such as Your location) and time (such as day, date and year); and
- deductive or abstract reasoning.

A Severe Cognitive Impairment includes Alzheimer's disease and similar forms of irreversible dementia.

**Single Claim Period** means a claim for benefits under this policy that is not interrupted by a period of 180 consecutive days. If You do not satisfy the conditions on Eligibility for Payment of Benefits (because You have recovered and You are no longer receiving benefits under this policy) for 180 consecutive days or longer, a new Single Claim Period will be established.

**Stand-By Assistance** means the presence of another person within arm's reach of You that is necessary to prevent, by physical intervention, injury to You while You are performing the Activity of Daily Living.

**Substantial Assistance** means Hands-On or Stand-By Assistance.

**Substantial Supervision** means continual supervision by another person to protect You or others from threats to health or safety (such as may result from wandering) when You have a Severe Cognitive Impairment. Such supervision may include cueing by verbal prompting, gestures or other similar demonstrations.

**We, Us, Our** means National Guardian Life Insurance Company.

**You, Your** means the person (or persons under joint coverage) named as the insured(s) on the Policy Schedule.

## 11. LIMITATIONS AND EXCLUSIONS

### (a) Non-Eligible Facilities

A nursing facility does not include a hospital, convalescent home, board and rest home, home for the aged, residential care facility, domiciliary and retirement care facility, training center or a clinic, or a facility for the treatment of alcoholism, alcohol abuse, drug addiction or mental illness.

### (b) Exclusions and Exceptions

No benefits will be paid under this policy for confinement in:

- Non-eligible facilities; or

- an unlicensed facility (if licensing is required in Your state).

No benefits will be paid and the Elimination Period will not be satisfied for any confinement, care, treatment or service(s):

- provided to You by a person in Your Family;
- provided outside of the United States or its territories, or Canada, except as described above under Coverage Outside the United States;
- for which You have no financial liability or that is provided at no charge in the absence of insurance;
- provided at a government or veteran's facility where You are not required to pay;
- provided as a result of alcoholism or drug addiction;
- resulting from attempted suicide or self-inflicted injury;
- resulting from war, an act of war or active duty in the armed forces; or
- resulting from participation in a felony, riot or insurrection.

### **(c) Non-Duplication of Benefits**

Benefits are not payable under this policy for expenses incurred to the extent that such expenses are reimbursable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount; or any other state or federal workers' compensation plan, or other governmental program (except Medicaid).

For purposes of satisfying the Elimination Period, days on which You satisfy the conditions on Eligibility for Payment of Benefits, but coverage is excluded due to the Non-Duplication of Benefits provision, will count toward satisfaction of the Elimination Period.

### **(d) Payment of Benefits**

While this policy is in force, You will receive benefits if:

- You satisfy Eligibility for Payment of Benefits;
- You have satisfied any applicable Elimination Period shown on the Policy Schedule page of this policy;
- You receive services covered under this policy pursuant to a Plan of Care;
- You are not receiving any other benefits covered under this policy which means that only one benefit is payable on a single benefit day;
- You have not exhausted the benefits under this policy;
- Your claim is properly filed according to the requirements described in this policy; and
- Your claim is not subject to any Limitations and Exclusions contained in this policy.

## **THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.**

### **12. RELATIONSHIP OF COST OF CARE AND BENEFITS**

Because the costs of long-term care services will likely increase over time, You should consider whether and how the benefits of this plan may be adjusted. The benefit level will not increase over time. For an additional premium payment, You may purchase the optional Compound Inflation Protection Rider described below.

### **13. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS**

Subject to Eligibility for Payment of Benefits, Payment of Benefits, any Limitations and Exclusions described above, this policy provides coverage if You are clinically diagnosed as having Alzheimer's disease or related degenerative and dementing illnesses.

## **14. PREMIUM**

### **Single Premium Payment Option**

This option provides for a noncancelable, paid-up policy upon payment of a single premium.

### **10-Year Premium Payment Option**

This option provides that at the end of the premium payment period if each required premium has been paid, this policy will automatically be renewed for the rest of Your life with no further premium payments required. If this endorsement is continued in force for the full ten years, premiums during this period cannot be changed, except in the case of a change in benefits requested by You.



**Long Term Care Insurance Policy**

**Elimination Period:**  30 Days  90 Days  180 Days

Daily Benefit: \$ Up to 160

**Benefit Period:**

2 Year Benefit Period  3 Year Benefit Period

The following are the Annual Premiums for the coverage You have applied for:

Comprehensive coverage is Facility Care Services plus Home and Community Care Services (HCCS)

	<b>Premium</b>
<b>Select only one of the following:</b>	
<input type="radio"/> Facility Care Services Only	
<input checked="" type="radio"/> Comprehensive	\$ <u>1,989.92</u>

**Benefit Period Extension Rider:**

*(available only with 3 Year Benefit Period)*

<input type="radio"/> 1 Year (extends the Benefit Period to 4 Years)	<input type="radio"/> 2 Year (extends the Benefit Period to 5 Years)	
<input type="radio"/> 3 Year (extends the Benefit Period to 6 Years)	<input type="radio"/> Lifetime	\$ _____

**Inflation Protection Rider (select one of the following):**

<input type="radio"/> Compound 5%	<input checked="" type="radio"/> Compound 3%	\$ <u>1,671.53</u>
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**Nonforfeiture Rider:**

<input type="radio"/> Shortened Benefit Period Nonforfeiture	\$ _____
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Return of Premium Riders *(not available with Shortened Benefit Period Nonforfeiture)*

**Select only one of the following:**

<input type="radio"/> Limited Return of Premium	
<input type="radio"/> Limited Return of Premium with Optional Policy Surrender	\$ _____

**Benefit Extension Rider:**

<input type="radio"/> Shared Benefit Amount <i>(available only with joint coverage and not available with Lifetime Benefit Period)</i>	\$ _____
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**Additional Riders:**

<input checked="" type="radio"/> Waiver of Premium <i>(not available with Facility Care Services Only coverage or Single Pay Premium Payment Option. This rider will be automatically attached to Your policy if You select Comprehensive coverage.)</i>	\$ <u>0.00</u>
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<input type="radio"/> First Day HCCS Benefit <i>(not available with Facility Care Services Only coverage)</i>	\$ _____
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**Premium Payment Options:**

<input type="radio"/> Single Pay Premium	<input type="radio"/> 10-Year Premium	<input checked="" type="radio"/> Lifetime Premium	\$ _____
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<b>TOTAL ANNUAL PREMIUM:</b>	<b>\$ <u>3,661.45</u></b>
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*For ages 76-79, there are no inflation protection requirements to obtain a PARTNERSHIP-QUALIFIED Policy (purchasing inflation protection is optional). If your application is approved, a PARTNERSHIP- QUALIFIED policy will automatically be issued to you.*

*For ages 75 and younger, if you select an Inflation Protection Rider, you will have met the inflation protection requirements for a PARTNERSHIP-QUALIFIED Policy. If your application is approved, a PARTNERSHIP-QUALIFIED Policy will be issued to you.*

*For ages 75 and younger, if you do not select an Inflation Protection Rider, you will not have met the inflation protection requirements for a PARTNERSHIP-QUALIFIED Policy. If your application is approved, a NON-PARTNERSHIP Policy will be issued to you.*

## 15. ADDITIONAL FEATURES

### (a) Medical Underwriting

Your insurability for this policy will be determined by the answers given in Your application and any other authorized medical information We obtain regarding Your current state of health.

### (b) Modes of Premium Payment

Premiums may be paid on an annual, semi-annual or quarterly basis, or by monthly automatic premium plan. We will change the mode of premium payment if We receive a proper written request at Our Long Term Care Administrative Office before the premium due date. The amount of each modal premium is calculated by multiplying the annual policy premium by the applicable modal factors. Modal Factors are: Semi-Annually (0.52), Quarterly (0.27) and Monthly (0.0875). The modal premiums will be shown on the Policy Schedule page of this policy.

### (c) Grace Period

Except for the first premium, You will have 31 days after each due date to pay the premium due. This policy remains in force during the Grace Period.

### (d) Unintentional Lapse

If Your premium is not paid by the 30th day of the Grace Period, We will provide written notice to You and any individuals designated by You to receive notice of non-payment of premium. Notice shall be given by first class United States mail, postage prepaid. Notice will be sent at least 30 days before cancellation of Your coverage. Notice shall be deemed to have been given as of five days after the date of the mailing. If Your premium is not paid within 35 days after notice is sent, this policy will lapse for non-payment of premium.

### (e) Nonforfeiture Benefits

If You choose not to select the following optional nonforfeiture rider, a contingent benefit upon lapse will be available if: (a) this policy lapses as described under the Grace Period and Unintentional Lapse provisions of this policy; and (b) the premium rates for this policy are substantially increased. The benefit provided will be in the form of a Shortened Benefit Period as described below.

In addition to the contingent nonforfeiture benefit described above, if You select a limited premium payment option an additional contingent nonforfeiture benefit may also be available in the form of a reduced "paid-up" policy.

### (f) The Pennsylvania Qualified Partnership

The Pennsylvania Qualified Partnership is an innovative partnership between Pennsylvania's Department of Public Welfare (DPW), the Pennsylvania Insurance Department and private insurers of long-term care insurance policies. The Pennsylvania Qualified Partnership program is offered in accordance with the Deficit Reduction Act of 2005 (P.L. 109-171).

If you chose to purchase a Qualified Partnership Policy, please review the Long-Term Care Partnership (LTCP) Program Notification Form entitled "Important Information Regarding Your Policy's LTCP Status" which is provided at the time of issuance of a Qualified Partnership Policy.

Additional information. If you would like further information about the Medical Assistance asset protection provided by your Qualified Partnership Policy or the Pennsylvania Qualified Partnership, please call (888) 505-2332 or visit [www.nglessentialtc.com](http://www.nglessentialtc.com).

## 16. OPTIONAL RIDERS (AVAILABLE FOR AN ADDITIONAL PREMIUM PAYMENT)

### (a) Shortened Benefit Period Nonforfeiture

This rider provides a benefit when this policy remains in force for at least three years and lapses due to nonpayment of premium. Coverage will continue and benefits will be payable based on the Daily Benefit in effect on the date of lapse. The new Benefit Amount payable under this rider will become equal to the greater of: (a) the total of premiums paid for this policy and all riders; or (b) 30 times the Daily Benefit in effect at the time of lapse. Any benefits paid after this policy lapses will be subtracted from this new Benefit Amount.

### (b) Limited Return of Premium

This rider provides that if You die (last to die under joint coverage) while this policy is in force, the total of premiums paid, reduced by the total of benefits received will be paid to Your Beneficiary.

### (c) Limited Return of Premium with Optional Policy Surrender

This rider provides that if You die (last to die under joint coverage) while the policy is in force, the total of premiums paid, reduced by the total of benefits received will be paid to Your Beneficiary. An option to surrender the policy is included. The policy surrender value will be in a lump sum up to 80% of the premiums paid reduced by the total of benefits received.

### (d) Benefit Period Extension

This rider extends the 3 Year Benefit Period selected on Your application to either 4 Years (1,460 days), 5 Years (1,825 days), 6 Years (2,190 days) or to a Lifetime Benefit Period.

### (e) Shared Benefit Amount

This rider provides a jointly Shared Benefit Amount in the event either or both joint insureds exhaust the Benefit Amount under this policy. The Shared Benefit Amount will be equal to the Benefit Amount shown on the Policy Schedule page of this policy. Benefits paid are subtracted from the Shared Benefit Amount.

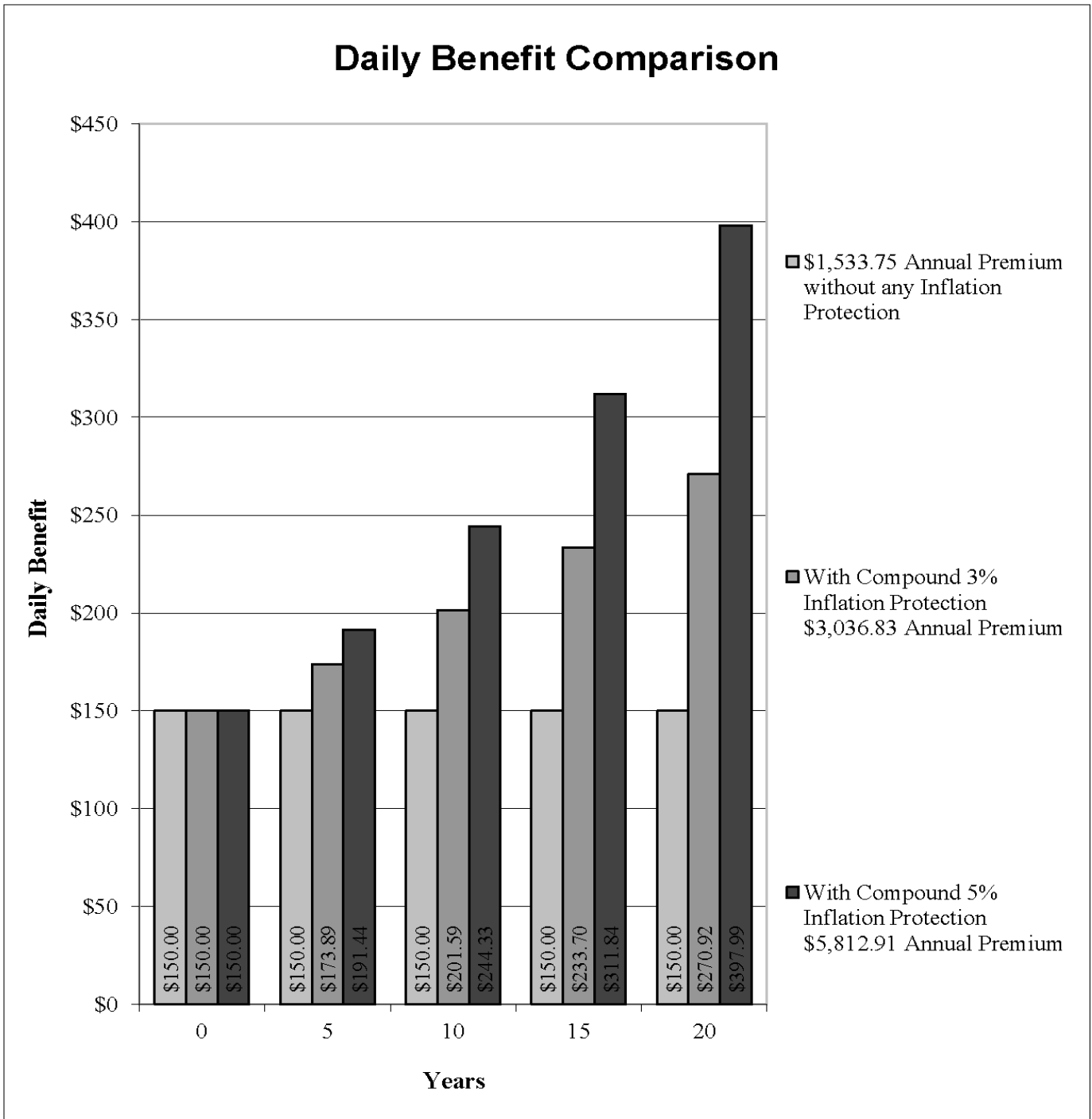
### (f) First Day Home and Community Care Services Benefit

This rider will waive any Elimination Period required for Home and Community Care Services benefits. If You otherwise satisfy the Payment of Benefits provision for Home and Community Care Services, no Elimination Period will be required and benefits will be payable on the first day You are qualified to receive Home and Community Care Services benefits.

### (g) Inflation Protection Rider

This rider provides that on each policy Anniversary Date, We will increase the Daily Benefit and Benefit Amount payable under this policy. The Compound Inflation Protection Rider provides for optional increases of the Daily Benefit, by either 3% or 5% of the previous year's dollar amount. The remaining Benefit Amount, as well as any Shared Benefit Amount, is also increased by 3%, or 5%. Under this rider, the Daily Benefit and Benefit Amount will continue to increase annually while You are receiving benefits under this policy.

The following graph compares the benefits and premiums between a policy with 3% Compound Inflation Protection, a policy with 5% Compound Inflation Protection and a policy without an inflation protection rider. For purposes of illustration, the sample shown is for a policy with a 3 Year (1,095 day) Benefit Period for Facility Care and Home and Community Care Services, issued at female age 55, a 90-day Elimination Period, Premier Risk Class, and a \$150.00 Daily Benefit.



**17. CONTACT THE STATE AGENCY LISTED IN A SHOPPER’S GUIDE TO LONG-TERM CARE INSURANCE IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY.**