CONVALESCENT CARE

INSURANCE

For A More Secure Future.

-Expense Incurred Nursing Home Coverage With Optional Home Health And Community Care Rider
- Tax Qualified Plan

united american insurance company
Long-Term Care: A Revolution In Your Lifetime.

In the last 50 years, medical science has helped double our chances of living until 85. The probability that a 65-year old will live to age 85 has increased by more than 28% since 1940.¹ As more enjoy a longer life span, many require long-term care (nursing home, alternative care facility, in-home and community care services) for age-related conditions. These developments sparked a long-term health care revolution.

A United American LTC Gold Series insurance plan helps you maintain your independence, protect your savings and income, and access the best possible care. The following pages will show you how a United American LTC Gold Series plan can work for you.

FACT: 36% of all 65-year old males and 50% of 65-year old women today will eventually need nursing home care.² In 1990, the average cost of a nursing home stay was about $72 per day; this figure has now risen to a cost ranging from $82 to $178 per day depending on the location/state lived in.³

A New Look At Long-Term Care Insurance.

Medicare and Medicare supplement insurance are not intended to cover all of your long-term health care.

- **Medicare** primarily covers hospital care, doctor bills and outpatient care.
- **Medicare supplements** cover hospital and doctor expenses not covered by Medicare.
- **Long-term care insurance** pays some nursing home, alternative care facility, in-home and community care costs not covered by either.

Nursing home expenditures now exceed $80 billion annually. About half of all nursing home residents pay nursing home cost out of their own savings.¹ The LTC Gold Series helps minimize or eliminate your long-term care expenses. It allows you or a designated individual to secure the care you are comfortable with at a price you can afford.

³ University of Maryland Center on Aging Partnership for Long Term Care (last updated 8/7/01). ⁴ Medicare.
United American set out to create long-term care insurance as innovative as the health care services available today. We studied the marketplace and the needs of those requiring long-term care in developing the **LTC Gold Series** portfolio. Choose from three plans with protection ranging from basic Qualified Nursing Home to comprehensive care with optional riders for Home Health Care and Home Health and Community Care.

A United American **LTC Gold Series** plan helps cover long-term care costs which Medicare and Medicare supplement policies don’t cover. Medicare and Medicare supplement standards are based on the general population and may not apply to your individual needs. United American’s **LTC Gold Series** focuses on you.

Your United American agent will tailor your long-term care policy to fit your needs.

**FACT:** *Thirty-three percent of the country’s nursing home cost is paid out-of-pocket by individuals.*

*University of Maryland Center on Aging Partnership for Long Term Care (last updated 8/7/01).*
LTC Gold . . . How It Works For You.

The United American LTC Gold plan starts with a foundation of qualified nursing home care coverage. From there, plans can be customized for either individuals or families (married couples). Here are the main features and options. Elimination periods and benefit periods may vary by state.

Features

▼ Elimination Period: You choose when United American begins to pay your qualified nursing home benefits within each period of care. You may designate an elimination period of 0, 30, 100 or 180 days.

▼ Period of Care: A period of care refers to days on which the insured uses long-term care benefits which are separated by less than 180 days for which an insured receives no services.

▼ Daily Benefit Amount: You designate a maximum daily benefit amount, up to $200 per day, for your qualified nursing home coverage.

▼ Maximum Benefit Amount: You designate the maximum benefit amount (a dollar amount) for your qualified nursing home coverage. To calculate it, multiply your daily benefit amount by 365, 730 or 1,460 (the maximum benefit factor (MBF)). United American pays benefits until you reach this maximum — there is no time limit. You may also select an unlimited benefit period.

For example:

If you select a $100 daily benefit with the 730 MBF, it would equal a $73,000 maximum benefit.

$100/day x 730 MBF = $73,000 maximum benefit

If your elimination period is 0 days and you stay in a qualified nursing home for 90 days, United American would pay your incurred expenses up to $9,000.

$100/day x 90 days = $9,000

▼ Third Party Notice: You may select a second person to notify if your premium payment is not received by United American.
Alternative Plan Of Care: Once you enter a qualified nursing home, your Physician may recommend an alternative method of care for your recovery. This benefit covers care outside of a qualified nursing home which is mutually agreed upon by you, your Physician and United American.

Bed Reservation Benefit: If you need to go to the hospital during your qualified nursing home stay, United American pays the nursing home to reserve your bed for up to 14 days during each period of care.

Five-month Extended Reinstatement Period:
If your policy lapses due to nonpayment of premiums, it may be reinstated if there is proof of your cognitive impairment on the lapse date. The reinstatement period is five months following the lapse date.

Restoration Of Benefits: Restores your maximum qualified nursing home benefit, one time only, after a period of two years without qualified nursing home confinement.

Successive Nursing Home Stays: If you re-enter a qualified nursing home within 180 days a new elimination period is not required.

Waiver Of Premium: If you are confined to a qualified nursing home, you are not required to pay a premium after the first 90 days of confinement within a period of care. For couples covered under the family policy, neither pays a premium after either one is confined for 90 days. Premiums are waived as long as confinement continues.

Optional Benefit Inflation Rider: To keep up with the continuously rising cost of care, you may have your policy benefit automatically increased 5% each year.
LTC Gold Plus . . . How It Works For You.

The United American LTC Gold Plus plan starts with a foundation of qualified nursing home coverage and also includes an optional home health rider. From there, plans can be customized for either individuals or families (married couples). Here are the main features and options. Elimination periods and benefit periods may vary by state.

Features

▼ Elimination Period: You choose when United American begins to pay your qualified nursing home benefits within each period of care. You may designate an elimination period of 0, 30, 100 or 180 days.

▼ Period of Care: A period of care refers to days on which the insured uses long-term care benefits which are separated by less than 180 days for which an insured receives no services.

▼ Daily Benefit Amount: You designate a maximum daily benefit amount, up to $200 per day, for your qualified nursing home coverage.

▼ Maximum Benefit Amount: You designate the maximum benefit amount (a dollar amount) for your qualified nursing home coverage. To calculate it, multiply your daily benefit amount by 365, 730 or 1,460 (the maximum benefit factor (MBF)). United American pays benefits until you reach this maximum – there is no time limit. You may also select an unlimited benefit period.

For example:

If you select a $100 daily benefit with the 730 MBF, it would equal a $73,000 maximum benefit.

■ $100/day x 730 MBF = $73,000 maximum benefit

If your elimination period is 0 days and you stay in a qualified nursing home for 90 days, United American would pay your incurred expenses up to $9,000.

■ $100/day x 90 days = $9,000

▼ Alternative Plan Of Care: Once you enter a qualified nursing home, your Physician may recommend an alternative method of care for your recovery. This benefit covers care outside of a qualified nursing home which is mutually agreed upon by you, your Physician and United American.

▼ Bed Reservation Benefit: If you need to go to the hospital during your qualified nursing home stay, United American pays the nursing home to reserve your bed for up to 14 days during each period of care.

▼ Five-month Extended Reinstatement Period: If your policy lapses due to nonpayment of premiums, it may be reinstated if there is proof of your cognitive impairment on the lapse date. The reinstatement period is five months following the lapse date.
**LTC Gold Plus**

**Restoration Of Benefits:** Restores your maximum qualified nursing home benefit, one time only, after a period of two years without qualified nursing home confinement.

**Successive Stays:** If you re-enter a qualified nursing home within 180 days a new elimination period is not required.

**Third Party Notice:** You may select a second person to notify if your premium payment is not received by United American.

**Waiver Of Premium:** If you are confined to a qualified nursing home, you are not required to pay a premium after the first 90 days of confinement within a period of care. For couples covered under the family policy, neither pays a premium after either one is confined for 90 days. Premiums are waived as long as confinement continues.

**Optional Home Health Care Rider:** Home health care is a popular option for individuals who wish to remain in their own homes and for families with a relative in their home who needs care. You may choose to receive care at home (private home, retirement facility or residential care facility) from a licensed:

- home health aide
- personal care attendant
- nurse
- physical, speech or occupational therapist.

This policy rider allows you to retain services through a home health care agency or from an individual home health care professional. This policy rider also includes coverage for Adult Day Care. Adult Day Care centers generally provide social and health-related services to support elderly or disabled adults who are able to receive care in a group setting outside their homes. Benefits are paid for 80% of these expenses up to your daily and maximum benefit amounts.

There are separate daily and maximum benefit amounts for the home health care rider and they cannot exceed your qualified nursing home benefit. The unlimited benefit period is not available with this rider. Also, the elimination period on the home health care rider must equal the one for the qualified nursing home care.

**For example:**

If you select a $50 daily home health benefit with the 730 MBF, it would equal a $36,500 maximum home health benefit.

$$\text{\$50/day \times 730 MBF = \$36,500 maximum benefit}$$

If your elimination period is 0 days and you receive home health care for 90 days, United American would pay your incurred expenses up to $4,500.

$$\text{\$50/day \times 90 days = \$4,500 benefits paid}$$

**Optional Benefit Inflation Rider:** To keep up with the continuously rising cost of care, you may have your policy benefit **automatically increased 5% each year.**
LTC Gold Max . . . How It Works For You.

The United American LTC Gold Max policy starts with a foundation of qualified nursing home coverage and also includes an optional home health and community care rider. From there, plans can be customized for either individuals or families (married couples). Here are the main features and options. Elimination periods and benefit periods may vary by state.

Features

▼ Elimination Period: You choose when United American begins to pay your qualified nursing home benefits within each period of care. You may designate an elimination period of 0, 30, 100 or 180 days.

▼ Period of Care: A period of care refers to days on which the insured uses long-term care benefits which are separated by less than 180 days for which an insured receives no services.

▼ Daily Benefit Amount: You designate a maximum daily benefit amount, up to $200 per day, for your qualified nursing home coverage.

▼ Maximum Benefit Amount: You designate the maximum benefit amount (a dollar amount) for your qualified nursing home coverage. To calculate it, multiply your daily benefit amount by 365, 730 or 1,460 (the maximum benefit factor (MBF)). United American pays benefits until you reach this maximum – there is no time limit. You may also select an unlimited benefit period.

For example:

If you select a $100 daily benefit with the 730 MBF, it would equal a $73,000 maximum benefit.

$100/day x 730 MBF = $73,000 maximum benefit

If your elimination period is 0 days and you stay in a qualified nursing home for 90 days, United American would pay your incurred expenses up to $9,000.

$100/day x 90 days = $9,000

▼ Alternative Plan Of Care: Once you enter a qualified nursing home, your Physician may recommend an alternative method of care for your recovery. This benefit covers care outside of a qualified nursing home which is mutually agreed upon by you, your Physician and United American.

▼ Bed Reservation Benefit: If you need to go to the hospital during your qualified nursing home stay, United American pays the qualified nursing home to reserve your bed for up to 14 days during each period of care.

▼ Five-month Extended Reinstatement Period: If your policy lapses due to nonpayment of premiums, it may be reinstated if there is proof of your cognitive impairment on the lapse date. The reinstatement period is five months following the lapse date.

▼ Restoration Of Benefits: Restores your maximum qualified nursing home benefit, one time only, after a period of two years without qualified nursing home confinement.
**Successive Nursing Home Stays**: If you re-enter a qualified nursing home within 180 days, a new elimination period is not required.

**Third Party Notice**: You may select a second person to notify if your premium payment is not received by United American.

**Waiver Of Premium**: If you are confined to a qualified nursing home, you are not required to pay a premium after the first 90 days of confinement within a period of care. For couples covered under the family policy, neither pays a premium after either one is confined for 90 days. Premiums are waived as long as confinement continues.

**Optional Home Health and Community Care Rider**: Home health care is a popular option for individuals who wish to remain in their own homes and for families with a relative in their home who needs care. You may choose to receive care at home (private home, retirement facility or residential care facility) from a licensed:

- home health aide
- personal care attendant
- nurse
- physical, speech or occupational therapist.

This policy rider allows you to retain services through a home health care agency or from an individual home health care professional. The community care coverage includes Adult Day Care, Alternative Care Facility, Hospice Care and Respite Care.

- **Adult Day Care** centers generally provide social and health-related services to support elderly or disabled adults who are able to receive care in a group setting outside their homes. Benefits are paid for 80% of these expenses up to your daily and maximum benefit amounts.
- **Alternative Care Facility** benefits include expenses at live-in facilities other than nursing homes, such as adult congregate living facilities and Alzheimer’s Centers.
- **Hospice Care** coverage pays for the services of a state-licensed Hospice facility.
- **Respite Care**, which is meant to temporarily relieve family members or caregivers, is available at state-licensed assisted living facilities, rest homes, custodial care facilities and personal care facilities.

There are separate daily and maximum benefit amounts for the home health and community care rider and they cannot exceed your qualified nursing home benefit. The unlimited benefit period is not available with this rider. Also, the elimination period on the home health and community care rider must equal the one for qualified nursing home care.

**For example**:

If you select a $50 daily home health and community care benefit with a 730 MBF, it would equal a $36,500 maximum home health and community care benefit.

\[
\text{\$50/day \times 730 \text{ MBF} = \$36,500 \text{ maximum benefit}}
\]

If your elimination period is 0 days and you receive home health care for 90 days, United American would pay your incurred expenses up to $4,500.

\[
\text{\$50/day \times 90 \text{ days} = \$4,500 \text{ benefits paid}}
\]

**Optional Benefit Inflation Rider**: To keep up with the continuously rising cost of care, you may have your policy benefit automatically increased 5% each year.
Qualifications For Care.

Benefits are paid for covered expenses based on a Plan Of Care from your Physician. A Plan Of Care is a program of care certified in writing by a Physician prior to the start of treatment and recertified periodically in accordance with accepted medical standards. An Independent Care Manager or Physician will perform an evaluation or standardized test to confirm whether you meet one of the following qualifications:

1. You need assistance performing at least two of these activities of daily living for a period expected to persist for at least 90 days due to loss of functional capacity:
   - dressing
   - toileting
   - transferring in and out of bed, a chair or other seat
   - feeding
   - continence
   - bathing

2. You suffer severe cognitive impairment — a deterioration of short or long-term memory, orientation to other people, place or time, or abstract or deductive reasoning which requires substantial supervision to protect you or others from threats to health and safety.

Levels of Care.

Custodial Care: Care primarily for meeting personal needs such as bathing, dressing, eating, toileting, transferring or taking medication.

Intermediate Care: A higher level of care than custodial, in which the patient requires some skilled nursing services or therapy.

Skilled Care: The highest level of care in which the patient requires care that can only be handled or supervised by skilled personnel on a 24-hour basis. Examples are tubal feeding and life support systems.
Eight Big Advantages.

A United American LTC Gold Series plan has these important features:

1. Tax qualified plan.
   LTC Gold Series plans are intended to be qualified long-term care insurance contracts under the Health Insurance Portability and Accountability Act of 1996. Consult a tax advisor for further details.

2. Benefits are paid directly to you.
   Since you or someone you designate receives the benefit payments, you have more control over your long-term care.

3. Premiums are waived during your nursing home stay.
   If you are confined to a qualified nursing home, you are not required to pay a premium after the first 90 days of confinement within a period of care. For couples covered under the family policy, neither pays a premium after either one is confined for 90 days. Premiums are waived as long as confinement continues.

4. Covers several levels of care.
   The LTC Gold Series covers custodial, intermediate and skilled qualified nursing home care, as defined on the previous page.

5. Premiums will not increase because you get older.
   Your premium rate is set for your age upon policy issue. If your coverage begins at age 65, you’ll pay the age 65 rate for the length of the policy. It will only increase on a class basis.

6. Your coverage cannot be canceled.
   Your policy is guaranteed renewable for as long as you pay the premiums. It cannot be canceled due to age or health.

   If you are not completely satisfied with your long-term care policy, you may return it during the first 30 days for a full refund. There are no further obligations.

8. United American’s financial strength.
   A solid indicator of United American’s financial strength is its high national insurance rating.
   A+ Superior from A.M. Best and Company, insurance analysts since 1899. This rating is based on their latest analysis of United American’s financial strength, management skill and integrity. This rating refers only to the overall financial status of the company and is not a recommendation of the specific policy provisions, rates or practices of the insurance company.
United American Insurance Company

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Policy Form #LTCBOM

United American Insurance is not endorsed by Medicare, Social Security or any other government agency. These policies have some limitations and exclusions. This is a solicitation for insurance.