LifeSecure Long-Term Care Insurance
Frequently Asked Questions

Q. What is long-term care?
A. Long-term care is the personal assistance you may need with the "Activities of Daily Living" (bathing, eating, dressing, toileting, transferring/mobility or maintaining continence) following an illness, an accident or the aging process, including a cognitive impairment such as Alzheimer's disease or dementia.

Because these services are not covered by your medical plan, you would have to pay for this care out of your own personal finances. Long-term care insurance is specifically designed to pay for this care so you don't deplete your financial resources.

Q. Are any long-term care services covered under Medicare or Medicaid?
A. Medicare covers 100 days in a nursing home if you are recovering from an illness or injury and showing improvement, but does not cover care provided in your home or an assisted living facility. Medicaid pays for care in a nursing home and some in-home assistance but only after you have all but exhausted your savings.

Q. What is the difference between Long-Term Disability (LTD) and Long-Term Care Insurance (LTCI)?
A. Your SMU Long-Term Disability plan provides partial income replacement for a set amount of time should you become disabled and are not able to work. Long-term care insurance pays for the personal assistance you may need as a result of an illness, an accident or the aging process.

Q. What are the benefits of applying for coverage now?
A. There are several important reasons to apply during the initial February - March 2017 special open enrollment and, for new employees, during their 90-day enrollment period.

- With LifeSecure, you lock in your entry age when you apply and are accepted. Your premiums are based on your entry age.

- During the initial special open enrollment, and during a new employee's 90-day enrollment period, the plan is offered to employees less than 66 years of age with simplified underwriting. A spouse is also eligible to apply with the same simplified underwriting if the spouse is working at least 20 hours per week ***and is not self-employed***. A copy of the spouse's most recent pay statement must be uploaded at the time of application.

- If you enroll at a later date, you will go through a more extensive health underwriting process and the rates in effect at that time will be higher for new plan entrants.

Q. How can I determine how much coverage I need?
A. The LifeSecure website, **www.groupltci.com/smu,** includes tools to help you navigate the cost of care and the cost of the various plan options. You can also contact the LifeSecure advisory team for personalized assistance at **844-554-7116,** Monday-Friday, 8:00 a.m. - 5:00 p.m. CT.

Q. Does the plan include discounts for couples?
A. Yes, a couple that both apply and are both approved receive a 30% premium discount.

Q. How long does it take to get approved for individual applicants? For couples?
A. Simplified underwriting applications typically process in 10-14 business days. The timing for a comprehensive underwriting application varies depending on the turnaround for requested medical records. If a couple is applying together, the approval or decision will be held until the underwriting process is completed for both applicants. This is because the 30% discount for couples cannot be applied until the outcome of both applications is determined. If there is a delay in the process or information is missing, the advisory team will send a communication to the applicant to let them know what actions they must take to complete the process.

Q. I currently have a LTCI policy with CNA and plan to apply for additional coverage with LifeSecure. How are benefits coordinated between the two policies?
A. Because LifeSecure issues individual (vs. group) policies, there is no coordination of benefits (COB) between your individual Life Secure policy and the group CNA policy. Claims are filed and processed separately.

Q. How do I qualify for benefits?
A. An individual qualifies for benefits when a licensed healthcare practitioner deems her/him unable to perform two of six Activities of Daily Living or diagnoses a severe cognitive impairment that is expected to last at least 90 days. Benefits are payable following a 90 calendar day Benefit Wait Period.

Q. What if care is needed outside of the United States?
A. If you require care or services while outside the United States, Canada or their territories, you will be eligible for up to 365 days of benefits in an international location over the life of your policy. The International Coverage Benefit is paid on an indemnity basis in US dollars, regardless of actual expenses, as follows: (a) 100% of the Monthly Benefit for care provided in a qualified facility; or (b) 50% of the Monthly Benefit for care provided in a home or a community based setting.

Q. Is there a way to automatically increase my benefit over time?
A. If you elect the optional 3% or 5% Compound Inflation Benefit Rider when you apply, your Benefit Bank and Monthly Benefit will automatically increase 3% or 5% each year. The increase will be effective on each anniversary of your policy and rider, even while you are receiving benefits. Because the cost of the inflation rider is applied to your premium when the policy is issued, you will not be subject to a premium increase each year.

The plan also includes a Future Purchase Option. You will be given the opportunity to purchase 15% additional coverage every three years without medical underwriting. Your monthly premium will increase as of the effective date of the increase, based on your age at that time and the additional 15% coverage. If you decline two times in a row you will no longer be eligible for the Future Purchase Option.

Q. Is there a death benefit?
A. LifeSecure policies do not include a death benefit.

Q. Are LifeSecure long-term care benefits taxable?
A. Benefits paid from your LifeSecure policy are not taxable.

Q. Are long-term care insurance premiums tax deductible?
A. Long-term care premiums paid through payroll deductions are deducted on an after-tax basis. These premiums are tax deductible to the extent that they, along with other unreimbursed medical expenses (including Medicare premiums), exceed 10 percent of the insured's adjusted gross income, or 7.5 percent for taxpayers 65 and older.

The premiums are deductible for the taxpayer, his or her spouse and other dependents but there is a limit on how large a premium can be deducted. Following are the deductibility limits for 2017. Any premium amounts above these limits are not considered to be a medical expense.

Age (as of the close of tax year)	Maximum Deduction - 2017 Tax Year
Age 40 or less	$ 410
Over age 40 through age 50	$ 770
Over age 50 through age 60	$1,530
Over age 60 through age 70	$4,090
Over age 70	$5,110

Q. Are long-term care premiums an eligible Health Savings Account (HSA) expense?
A. Yes, premiums are an eligible HSA expense, subject to the maximum deduction limits in the chart above.