

STATE OF SOUTH DAKOTA

POLICY # 295435

WHO NEEDS LONG TERM CARE INSURANCE?

Maybe you!

- If you are hoping to set up a financial plan for a worry-free retirement
- If you worry about being a burden to your family
- If you don't have family members to take care of you
- If you want to remain independent for as long as you are able

WHY BUY NOW?

As an employee, you may purchase coverage during the enrollment period without having to fill out an Evidence of Insurability application, as long as you do not choose benefits that exceed the Guarantee Issue limits. Your enrollment kit contains complete information on the Guarantee Issue limits. If you wait to enroll, you will need to fill out the Evidence of Insurability application and may not be accepted into the plan.

Guarantee Issue means that you do not have to fill out an Evidence of Insurability application.

The younger you are when you buy Unum's Long Term Care Insurance, the lower the cost. The rate is based on your age at the time of purchase. If you change employers or retire, you can still keep your coverage at affordable group rates.

PLAN HIGHLIGHTS

Who Can Apply?

- Employees — Benefit eligible active employees enrolled in the State Group Supplemental Life Insurance Plan.
- Family Members — Spouses, adult children, siblings, parents (in-law) and grandparents (in-law) ages 18 to 80 may apply with Evidence of Insurability.
- Retirees — Retirees may apply with Evidence of Insurability.

Newly Hired Employees — once eligible for this plan, will have 30 days to sign up for Guarantee Issue coverage. Please check with your employer for your effective date.

Evidence of Insurability Application

Employees — Your State funded basic plan, as well as additional monthly benefit amounts of up to and including \$8,000 and a Facility Benefit Duration of 2 or 6 years, is being offered on a Guarantee Issue basis. These coverage options do not require completion of the Evidence of Insurability application if you apply during your initial eligibility period. The Evidence of Insurability application is required if enrolling after your initial eligibility period or if you choose to buy the Unlimited Duration coverage.

Levels of Care

Long Term Care Facility: A Long Term Care Facility is an institution or distinctly separate part of a hospital that provides skilled, intermediate or custodial care under state licensing and certification laws.

Assisted Living Facility: An Assisted Living Facility is licensed by the appropriate agency (if required) to provide ongoing care and services to a minimum of three inpatients in one location.

Professional Home Care: Includes visits to your home by a licensed Home Health Care Provider during which skilled nursing care; physical, respiratory, occupational, dietary or speech therapy; adult day care or hospice care; or homemaker services are provided.

Total Home Care: Includes Professional Home Care services, as well as care received from any care provider of your choosing, including relatives and friends who provide care in your home.

Inflation Protection: Compound Growth Uncapped. Your Monthly Benefit Amount will increase each year by 5% on a compounded basis. Your pool of benefit dollars will also increase by 5% each year on a compounded basis.

Elimination Period: Your plan's Elimination Period of 90 consecutive days is the amount of time you must wait before benefits become payable. This time period needs to be satisfied only once during the life of your plan.

- The national average cost of a private room in a nursing home is about \$70,000 a year¹. In some regions, it can cost twice that amount.
- The average hourly rate for a home health aide is \$25. Based on this rate, four hours of home health aide services daily would total about \$35,500 a year².
- The average base rate for a private room in assisted living care is about \$33,300 a year³.

CHOOSING YOUR PLAN

When considering the plan that is the best for you, ask yourself these questions:

- Where do I want to receive care?
- How much money do I want for care?
- How long do I want the care to last?

State funded plan for active employees enrolled in the State Supplemental Life Insurance Plan	
Level of Care:	100% Long Term Care Facility, 60% Assisted Living Facility and 50% Professional Home Care
Monthly Benefit:	\$1,500 Long Term Care Facility / 50% Professional Home Care
Benefit Duration:	2 Years Long Term Care Facility / 50% Professional Home Care

^{1 2 3}Georgetown University, Long Term Care Financing Project, "National Spending for Long Term Care Fact Sheet," January 2007. The base rate usually covers the room, meals, housekeeping, laundry, and personal assistance with activities of daily living; a person may pay more for additional services such as therapies or medications.

AVAILABLE OPTIONS FOR YOU AND YOUR ELIGIBLE FAMILY MEMBERS:

Long Term Care Facility (LTC Facility)

Monthly Benefit Amount: \$1,500 to \$8,000

Assisted Living Facility Benefit Percent:

60% of the LTC Facility Monthly Benefit Amount

Professional Home Care Benefit Percent:

Based on 50% of the LTC Facility Monthly Benefit Amount

Total Home Care Benefit Percent:

50% of the LTC Facility Monthly Benefit Amount

Inflation Protection:

5% Compound Growth Uncapped

Long Term Care Facility Benefit Duration:

2 Years, 6 Years or Unlimited Duration

Elimination Period:

90 days

WHAT'S THE COST?

Your individual cost for insurance will depend on your age, the plan and the options you choose. Here are some representative costs for your State-funded plan of \$1,500 Long Term Care Facility Monthly Benefit Amount, 60% Assisted Living Facility, 50% Professional Home Care, 90 day Elimination Period and a Benefit Duration of 2 years. Also shown is a sampling of rates broken down per \$1,000 of coverage.

Monthly Premium Based On: Final Premiums may vary due to rounding		
Age	\$1,500 Employer Paid Plan for Employees	Rates Per \$1,000 of Coverage
35	\$ 3.00	\$ 2.00
40	\$ 3.45	\$ 2.30
45	\$ 4.50	\$ 3.00
50	\$ 5.85	\$ 3.90
55	\$ 7.80	\$ 5.20
60	\$ 11.25	\$ 7.50
70	\$ 31.35	\$ 20.90

You can see that the younger you are when you purchase the insurance, the lower the cost. Rates will not go up because you grow older.

LIMITATIONS & EXCLUSIONS

There are some instances when we will not pay a benefit: for a disability caused by war or act of war, self-destruction, attempted suicide, commission of a crime, alcoholism or alcohol abuse, use of a controlled substance not prescribed by a physician, a period longer than 30 days outside the U.S. and confinement in a hospital.

For more information or to enroll, please contact your human resources department for an enrollment kit.

PARTNERSHIP PLANS

The State of South Dakota Long Term Care plan is an approved **Partnership** plan. The **Partnership** plan offers the guarantee that if benefits under a **Partnership** policy do not sufficiently cover the cost of care, the consumer may qualify for Medicaid under special eligibility rules while retaining a specified amount of assets equal to the amount of the Long Term Care benefits paid under this plan. This is known as the asset disregard amount when applying for Medicaid.

In order for your plan to be a qualified **Partnership**, plan the following plans must be chosen based on your age: if you are 75 years old or younger, you must purchase Plan 3 or Plan 4, which contain compound inflation; if you are over age 75, then all of the plans offered will qualify as a **Partnership** plan.

WHY CHOOSE UNUM FOR YOUR LONG TERM CARE COVERAGE?

Look to a Leader

We are one of the nation's leading disability insurers. We have entered into the Long Term Care market and offer solutions that can help preserve your assets. Our Long Term Care (LTC) insurance can help secure your future and the futures of those you love, and it may be one of the most economical ways to manage life's risks. You protect other things you hold dear—such as your home, your car, even your life, but why not preserve one of your greatest assets—your financial future?

Purchasing Long Term Care insurance from us won't make you invincible, but it can help secure your assets against the costly effects of Long Term Care. To learn more about how our Long Term Care insurance can be part of your financial portfolio, call your representative today or visit our web site at www.unum.com.

Unum offers you flexible protection to meet your specific needs. Based on your plan choices, Unum pays a flat amount each month, instead of reimbursing you for submitted invoices. You may use the money for any reason you choose.

Unum's Long Term Care insurance pays when a physician certifies that you have lost the ability to perform at least two of six Activities of Daily Living (ADLs) for a period expected to last at least 90 days, or you suffer severe cognitive impairment (like Alzheimer's Disease) after* your effective date of coverage.**

The ADLs are: bathing, dressing, toileting, transferring, continence and eating.

*Benefits may be paid if loss of ability occurs on or after the coverage effective date.

**In Maryland, North Dakota, Ohio, Pennsylvania, Missouri and Kentucky, any Licensed Health Care Practitioner may provide certification. In Arizona, care must be provided pursuant to a plan of care prescribed by a Licensed Health Care Practitioner.

Long Term Care insurance is underwritten by:

Unum Life Insurance Company of America, 2211 Congress Street, Portland, ME 04122.

www.unum.com

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This is not intended to be a complete description of Unum's Long Term Care policy, and some coverage options may not be available in all states. This policy has exclusions and limitations that may affect any benefits payable. For costs and complete details of coverage, refer to Unum Policy Series LTC94, LTC94Q, TQB.LTC, NH942, NH942Q2, LTC992, LTC99Q2, LTC99, LTC99Q, GLTC95, and TQGLTC95 or call your Unum representative.