# Privileged Choice® Flex California Partnership

Long Term Care Insurance

Genworth®

An Approved Participant In

CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE

Underwritten by Genworth Life Insurance Company, Richmond, VA

134242CAP 07/01/13

To Order Use Form Number 134242CAP 12/01/13

# What Is Long Term Care?

Long term care (LTC) is the assistance or supervision you may need when you are not able to do some of the basic activities of daily living (ADL) – bathing, dressing, eating, continence, toileting and transferring. Others may need help because of mental deterioration called severe cognitive impairment that can be caused by Alzheimer's Disease, other mental illness or brain disorders.

A need for long term care may result from:
- Accidents
- Illness
- Advanced aging
- Strokes
- Other chronic conditions

Long term care can be received at home, in the community or in a Nursing or Residential Care Facility. You may qualify for long term care insurance benefits if you can't perform two ADLs by yourself for at least 90 days or require substantial supervision if you suffer from a severe cognitive impairment.

# Why Consider Long Term Care Insurance?

Have you thought about the consequences a long term care event could have on you and your family? If you aren't protected, how would that affect your retirement plans and your family?

### Long Term Care Insurance Can Help

Long term care insurance can be a practical and more affordable way to help cover the high costs of long term care services. It may also help you:

- Maintain your independence.
- Protect your savings from being depleted by a long term care event.
- Have more choice in who provides your care and where you receive it.

# Privileged Choice® **Flex** California Partnership

This long term care insurance plan is an approved California Partnership for Long-Term Care contract. It includes unique Asset Protection provided by the State of California.

The benefits you receive under this insurance plan will count toward Asset Protection under Medi-Cal. Protected assets are exempt from Medi-Cal's "spend-down" requirements.

This Privileged Choice Flex Partnership Insurance Plan (Plan) is offered only to residents of California. Benefits under the Plan are available regardless of the state in which you receive covered care or services. However, in order for benefits under the Plan to apply toward Medi-Cal Asset Protection, you must be a resident of California when you buy your policy. If you need Medi-Cal to cover long term care expenses when and if policy benefits under the Plan are exhausted, you must also be a resident of California.

With Medi-Cal Asset protection, one dollar of assets is protected for every dollar paid out in benefits under the Plan.

For example, if your lifetime maximum was $150,000 and that amount was exhausted, $150,000 of your assets will be protected if Medi-Cal must be utilized to cover further long term care expenses.

Please read the accompanying booklet published by the California Partnership for Long-Term Care, titled "Before You Buy," for a description of Medi-Cal Asset Protection and asset/income eligibility criteria.

Throughout this brochure, you will find the Flex icon. It indicates places where options are available to customize your insurance plan.

# Choice Is a Wonderful Thing

Privileged Choice Flex gives you options to customize your care with home, community and facility options.

Being able to make decisions about where you receive care is important. If you need care, you may feel most comfortable right at home, near loved ones and familiar surroundings. You may prefer a more social environment, such as an adult day care program. Or you may require the advanced care provided in Nursing or Residential Care Facilities (including dedicated Alzheimer's facilities).

# Home and Community Care

Comprehensive Long Term Care Insurance Coverage is provided for covered services received at home and in the community.

## Home and Community Care Benefit

This benefit can help reimburse you for a variety of long term care services up to the monthly or daily maximum you choose.

**Adult Day Care** is a program of social and health-related services provided during the day in a community group setting outside your home.

**Nurse and Therapist Services** are health care services provided in your home by a Nurse, or a licensed physical, occupational, respiratory or speech therapist.

**Home Health Care** is skilled nursing or other professional services in your home such as home health aide service, physical therapy, occupational therapy, speech therapy, audiology services, and medical social services provided by a social worker.

**Homemaker Services** provide assistance with activities necessary to or consistent with your ability to remain in your home and can be provided by a skilled or unskilled person.

**Personal Care Services** are services provided by a skilled or unskilled person whose primary function is to provide you with assistance with Activities of Daily Living.

### HOME AND COMMUNITY CARE BENEFIT OPTIONS

- **100%** coverage
- **50%** coverage

These coverage percentages are based on coverage up to your monthly or daily maximum.[1]

## Home Assistance Benefit

This benefit provides a maximum lifetime reimbursement up to three times the monthly maximum or 90 times the daily maximum for the following services:

**Caregiver Training** Train an informal, unpaid caregiver (such as a friend or relative) to help care for you at home.

**Emergency Medical Response Systems** Covers the installation and ongoing monitoring fees for any type of medical alert system.

**Home Modifications, Assistive Devices and Supportive Equipment** May cover the purchase or rental and installation of items such as a ramp, a stair lift, grab bars or other supportive equipment.

[1] The daily and monthly maximums relate to the corresponding Nursing Facility Maximum you select.

# Facility Care

If the best place to receive care is not in your home, we offer options for facility care.

Privileged Choice Flex will reimburse for covered expenses incurred for room and board and care services in these facilities:

**Nursing Facility** A Nursing Facility is a licensed facility engaged in continual nursing care.

Privileged Choice Flex provides Nursing Facility coverage up to 100% of the monthly or daily maximum you select.

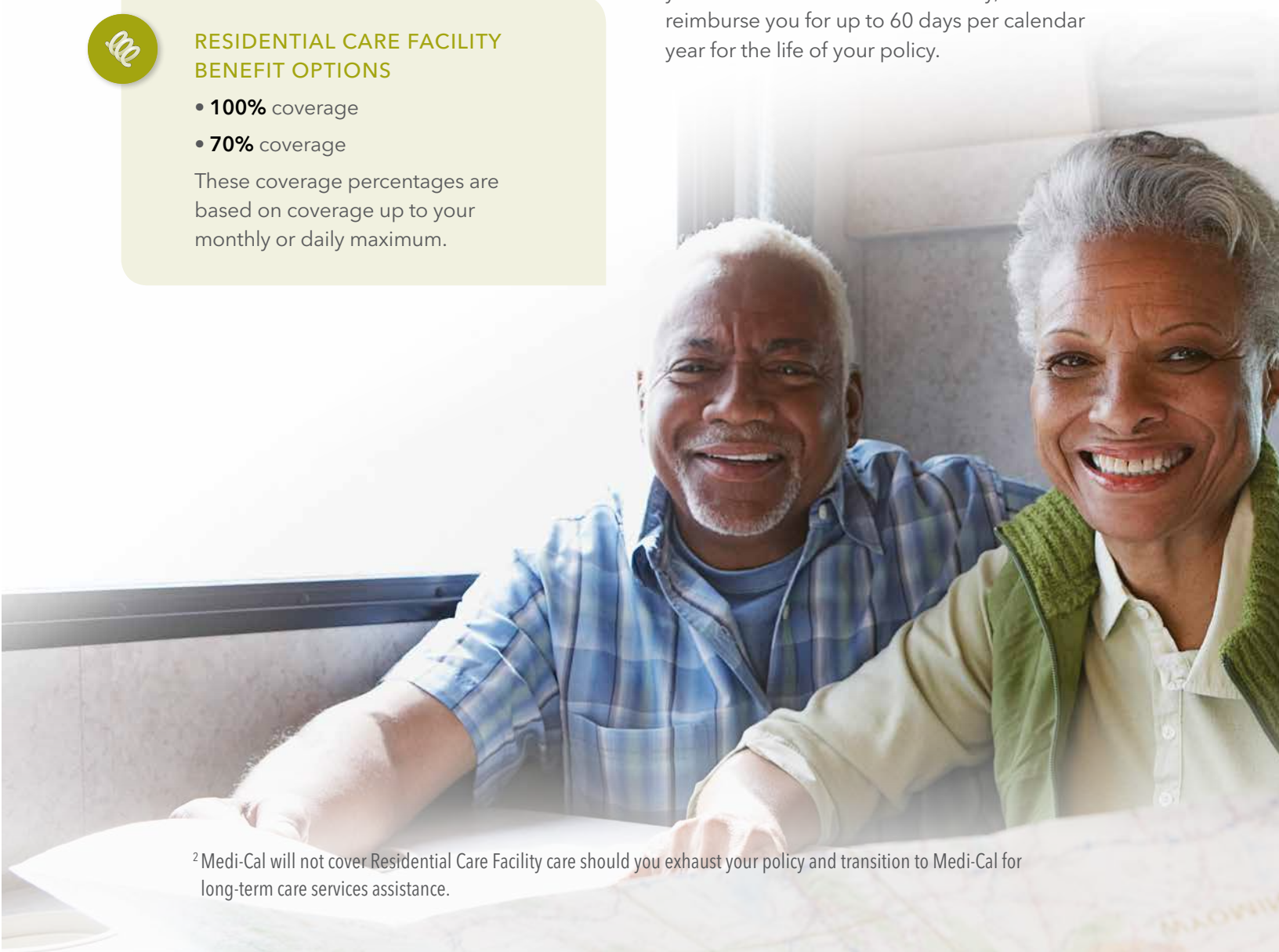
**Residential Care Facility**[2] A facility licensed as a "Residential Care Facility for the Elderly" or a "Residential Care Facility" as defined in the California Health and Safety Code.

**Bed Reservation** This benefit reimburses expenses to reserve your room or bed for any reason while you are temporarily absent from your stay in a covered facility. This can include time spent celebrating a holiday, visiting your family or temporarily entering a hospital. If you are charged a fee to reserve your accommodations in the facility, we will reimburse you for up to 60 days per calendar year for the life of your policy.

### RESIDENTIAL CARE FACILITY BENEFIT OPTIONS

- **100%** coverage
- **70%** coverage

These coverage percentages are based on coverage up to your monthly or daily maximum.



[2] Medi-Cal will not cover Residential Care Facility care should you exhaust your policy and transition to Medi-Cal for long-term care services assistance.

# We Care

We strive to give customers the individual attention they deserve. We are there when people need us most. Our personal touch accentuates everything we do.

## Care Coordination Benefit

### Helping You

When you think about long term care, you may only consider the cost. But money is just part of the long term care issue. Ask yourself these questions: Can you stay in your home? How will you pay for your care? Who will oversee and coordinate your care?

The reality of long term care is that if the need arises, few people may know how to handle this potentially life-changing event. If you need long term care, you may need someone to help assure that you receive quality care, and maintain your independence and dignity. Just as a physician will coordinate your medical needs, a Licensed Health Care Practitioner from a Care Management Provider Agency, selected by, but independent from us, and approved by the California Partnership for Long-Term Care, will facilitate your long term care services.

**Privileged Care Coordination includes:**

- A resource familiar with local long term care services
- A facilitator who will help ensure your safety and comfort, in the setting that's right for you, including your home

**To qualify you for benefits, a Licensed Health Care Practitioner will:**

- Conduct a face-to-face assessment to determine your benefit eligibility.
- Meet with you in your home to help assess your care needs and, with the assistance of your family and personal physician, develop a Plan of Care
- Modify your Plan of Care as your needs change

**If desired by you, a Licensed Health Care Practitioner will also:**

- Explain your Plan of Care to your care providers
- Coordinate and help you schedule your care providers
- Monitor your progress on an ongoing basis, no less often than every six months
- Help with completion of forms required to obtain claims reimbursement under the policy

We will pay for the expenses you incur for the above services and for a Licensed Health Care Practitioner to conduct a face-to-face assessment to determine your eligibility for benefits.

## Caregiver Support Services

### Helping Your Family

CareScout® provides **information and referral services** that help you find and coordinate high-quality, cost-effective in-home or facility care for your loved ones even if they do not have long term care coverage.[3]

Conveniently research options online with a national database of more than 90,000 care providers or work with your own dedicated Care Advocate over the phone.

You have access to a dedicated Care Advocate who will evaluate your loved one's situation over the phone and research the capabilities, availability and rates of local care providers— which may save you time and money.

## Wellness

LIVE+WELL℠

We have joined forces with Mayo Clinic, one of the most trusted brands in health care, to offer Live+Well, a ground breaking wellness program available to new long term care insurance policyholders.[4] Through Live+Well, we are committed to helping you live a long and independent life.

Participating in the Live+Well program will provide you access to:

- A wide range of Mayo Clinic's premier educational information.
- Tools and services that can help foster your lifelong health and wellness.
- Personalized health resources.
- A confidential, secure interactive online experience.

Should you need more comprehensive support, you'll also have access to health coaching programs to help you meet your ongoing health and wellness goals, as well as a 24-hour nurse line for more immediate needs.

[3] CareScout is a Genworth Financial business that provides professional elder care related support activities. It is not a Partnership required insurance benefit.

[4] Live+Well is a wellness program. It is not an insurance benefit. In California, Live+Well is available at no additional premium, it is not part of the policy, and may be discontinued at any time. The Live+Well program does not work in conjunction with the Partnership plan and benefits. Consult your physician before making any changes in your diet, lifestyle or exercise program.

# Core 4[SM]

Now that you have learned how Privileged Choice Flex can give you more control over where and how you receive care, let's look at four core components of this insurance plan..

## 1 Benefit Reimbursement

Determine the benefit amount you want for covered long term care expenses. You can choose to have benefits reimbursed for monthly or daily long term care expenses. Benefit reimbursement limits are referred to as monthly or daily maximums.

## 2 Benefit Multiplier

Select a benefit multiplier. The benefit multiplier is a factor based on time (months or days) used to calculate your initial coverage maximum.

**Example**

| | | | | |
|---|---|---|---|---|
| **$6,000** Monthly Maximum | × | **48 Months** Benefit Multiplier | = | **$288,000** Coverage Maximum |

In this example, the policyholder has **$288,000** available to be used for covered long term care expenses.[5]

**If benefit reimbursements are less than your monthly or daily maximum, benefits will last until your coverage maximum is exhausted.**

## 3 Elimination Period

Choose an Elimination Period. An Elimination Period is similar to a deductible. When you need long term care, it is the time period during which you must pay for your own care without being reimbursed under the policy.

### BENEFIT REIMBURSEMENT OPTIONS

- **Monthly Maximum** The maximum benefit available to reimburse for covered services received in a month. $5,580; or $5,600 to $12,000.
- **Daily Maximum** The maximum benefit available to reimburse for covered services received in a day. $180 to $400.

### BENEFIT MULTIPLIER OPTIONS

- **Months** 12, 24, 36, 48, 60, 72, 96 or 120
- **Days** 365, 730, 1095, 1460, 1825, 2190, 2920 or 3650

### ELIMINATION PERIOD OPTIONS[6]

- **Service Day Elimination Period** is based on days you receive covered long term care services. You can choose from 30 or 90 days.
- **Calendar Day Elimination Period[7]** begins with the first day you receive a covered long term care service and counts each day thereafter even if you don't receive services every day. You can choose from 30 or 90 days.
- **1st-Day Home Care[8]** You can choose a Waiver of Home Care Elimination Period so that reimbursement for covered Home and Community Care services can start immediately.

[5] Assumes policy is in force.
[6] 90 Day Elimination Period is not available with 12 months and 365 day benefit multipliers.
[7] Additional premium applies.
[8] If you choose this option, the days you receive Home and Community Care benefits will also count toward satisfying your Elimination Period for Facility Care. Additional premium applies.

## 4 Benefit Increases

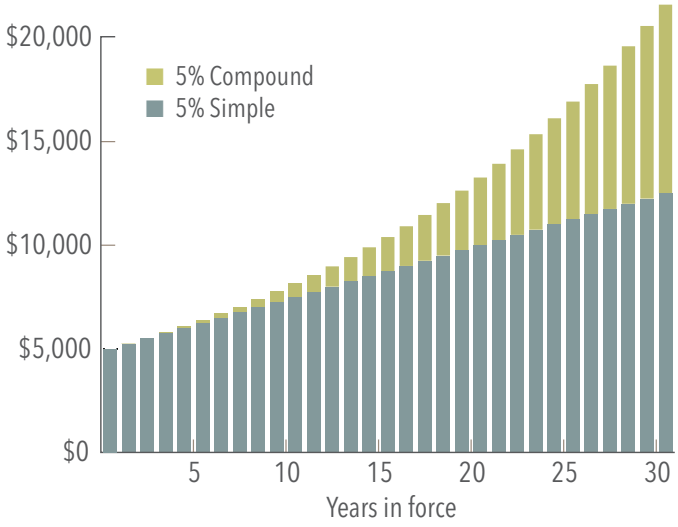
Benefit increases help the value of your coverage keep up with the rising cost of care, allowing for annual increases in your monthly or daily maximum and coverage maximum for as long as your coverage remains in force.

Compound or simple increases will be applied annually on each anniversary of your coverage effective date and **will not be reduced because of any claims reimbursed.**

### BENEFIT INCREASE OPTIONS

- **Compound Inflation** Your monthly or daily maximum and coverage maximum will increase each year 5% of the previous year's amount.
- **Simple Inflation** Your monthly or daily maximum and coverage maximum will increase each year by 5% of the original amount. This inflation optional is only available if you are age 70 or older at time of application.

### Monthly Maximum




| COVERAGE MAXIMUM | INITIAL COVERAGE | POLICY ANNIVERSARY | | |
|---|---|---|---|---|
| | | 10th | 20th | 30th |
| 5% Compound | 432,000 | 703,700 | 1,146,200 | 1,867,000 |
| 5% Simple | 432,000 | 648,000 | 864,000 | 1,080,000 |

The above charts are based on a $6,000 monthly maximum, a 6 year benefit multiplier, and assumes the policy is in force and that no claims have been reimbursed over the period illustrated. The charts show the effect of the benefit increase options on your coverage maximum. Illustrations assume premiums are paid when due even if there is an increase in premiums.

# Benefits for Couples

**Shared Coverage** When this optional rider is purchased and both you and your spouse or partner apply for and are issued identical policies, both can share each other's coverage maximum.

If one policyholder uses all of his or her coverage maximum, he or she can access the other's policy to continue receiving benefits.

The second policyholder is guaranteed to have access to at least 50% of his or her original coverage, even if the total shared coverage maximum has been depleted by the other.

**In addition, if one policyholder qualifies for waiver of premium,[9] neither will have to make premium payments to keep both policies in force.**

**Couples' Discount** If both you and your spouse or partner are eligible, and issued policies, each of you will receive a Couples Discount.

If both of you are eligible and apply, but only one is issued a policy, he or she will still receive a discount.

[9] See page 14 for explanation of waiver of premium.

# Included Features and Benefits

## Benefits

**Alternative Care** Reimburses for additional care, services, equipment or other items that are not otherwise covered under another benefit. If you, your doctor and Genworth Life all agree, and the items are reflected in your Plan of Care, you will be reimbursed for their cost, up to a mutually agreed upon amount.

**Hospice Care** Provides palliative care to alleviate the physical, emotional, social and spiritual discomforts, and is available in your home or in a licensed or certified facility if you become terminally ill. You do not need to satisfy an Elimination Period to receive this benefit.

**Respite Care** Give your primary unpaid caregiver in the home a temporary break. Home and Community Care and/or Facility Care expenses are reimbursed for the covered care you receive during this time. There is no Elimination Period requirement. Benefits become eligible for reimbursement as of the first day you qualify. **Reimbursement is available for up to 30 days per calendar year.**

**International Coverage** If you receive covered care and support services in an Out-of-Country Nursing Facility, not located in the United States as defined in the policy, you will be reimbursed for those expenses, up to 50% of your monthly or daily maximum. In addition, the benefit includes covered care at home for up to 25% of your monthly or daily maximum each month for a maximum of 365 days.

International Coverage benefits will not be reimbursed after four years from the onset of your first expense under this benefit. Premiums will not be waived, nor will Medi-Cal Asset Protection accrue, while you are out of the country. If you return to the United States, the remainder of your coverage maximum will be available.

**Waiver of Premium Benefit** We will waive premium payments for each coverage month that begins while you are eligible to receive benefits for care in a Nursing Facility, Residential Care Facility, or at home after the Elimination Period has been satisfied.

**Contingent Nonforfeiture** In the event of a substantial premium increase, this benefit gives you the right to convert to a paid-up policy with limited benefits.

## Features

**Late Payment Protection** To help ensure that your policy doesn't lapse by mistake, you may designate another person for us to notify if we do not receive your premium payment on time.

**Protection Against Lapse Due to Impairment** If your policy lapses, we will provide a retroactive continuation of coverage if, within seven months after the lapse, we receive proof that you would have otherwise been eligible for benefits prior to lapse. The proof must be in the form of an assessment from a Licensed Health Care Practitioner, which demonstrates that you were Chronically Ill. In order to continue your coverage, you need to pay all past-due premiums.

# Additional Options

The following benefit options can enhance your policy and are available for an additional premium.

**Nonforfeiture Benefit** Provides limited protection if your policy lapses after this benefit has been in force for three consecutive years. This benefit provides you with a reduced, paid-up coverage maximum equal to the total of all the premiums you've paid for your coverage or an amount equal to:

- one month (30 days) of your Nursing Facility benefit if the policy has been inforce for three consecutive years or
- three months (90 days) if the policy has been inforce for 10 consecutive years – whichever amount is greater.

**Transition Benefit** While satisfying the Elimination Period, this benefit provides a one time lump sum payment equal to either five times the daily maximum, or 20% of the monthly maximum. This benefit is not available if you have selected 1st-Day Home Care.

## Payment Options

To fit your budget and retirement insurance plans, all insurance plans offer flexible payment options. You can pay your premiums monthly, quarterly, semi-annually or annually.[10]

[10] Although premiums are calculated on an annual basis, premiums may be shown on a monthly, quarterly or semi-annual basis. Annual premiums may be paid in advance at the beginning of each coverage year. However, your premiums may be paid on a more frequent basis throughout your coverage year. If you pay your premiums more frequently than annually (e.g., monthly, quarterly or semi-annually), there will be additional charges that apply. The more frequent the premium payment mode, the more charges you will incur. For example, the total annual premium paid on a monthly basis will be more than the total annual premium paid on a quarterly basis. As a result, the total annual premiums paid will be higher for Monthly, Quarterly or Semi-Annual payment modes than if you paid premiums on an Annual mode. For more information, please refer to the Modal Premium Disclosure in your Policy or Certificate.

# We Want You To Know

This is not Medicare supplement insurance. Discuss with your insurance agent how long term care insurance would work relative to other coverage you currently have.

You should not purchase any long term care insurance if:

- you currently receive or may soon receive Medi-Cal benefits
- you have limited assets and can't afford the premiums
- your only source of income is a social security benefit or supplemental security income.

**Tax-qualified Long Term Care Insurance** Privileged Choice Flex is intended to meet the requirements for federally tax-qualified long term care insurance. As such, it reimburses covered expenses for qualified long term care services under IRC Section 7702B(b). You should consult your tax advisor to determine whether or not your premiums are tax deductible.

As part of the underwriting process, we may obtain copies of medical records from your doctor. Delays in receiving the necessary information may cause the underwriting process to be extended beyond the usual 30 to 45 days.

**Guaranteed Renewability** Once you're insured, as long as you pay your premiums on time and do not exhaust your benefits, your coverage is guaranteed renewable and cannot be canceled except as may be provided by the Misstatement/ Incontestability Provision.

**Premiums** While we have the right to increase premiums in the future, as stated in the policy, premiums may not be increased due to changes to your health status or age.

**30-Day Free Look** This gives you the opportunity to review your policy and, if you are not completely satisfied, return it within 30 days for a full refund.

**Exclusions and Limitations** After you qualify for benefits and satisfy the Elimination Period, charges for the care and services you receive are covered if they are consistent with your Plan of Care and received while your coverage is in effect. However, no benefits are reimbursed for expenses incurred for:

- Care provided by a member of your immediate family (unless he or she is a regular employee of the organization providing the services, the organization receives payment for the services, and he or she receives no compensation other than the normal compensation for employees in his or her job category).
- Care for which no charge is normally made in the absence of insurance.
- Care that is provided by a Veterans Administration or Federal government facility, unless a valid charge is made to you or your estate.
- Care that is provided outside the United States, as defined in the policy unless specifically provided for by a benefit.
- Care needed as a result of illness, treatment or medical condition arising from:
    - War or any act of war, whether declared or not.
    - Attempted suicide or an intentionally self-inflicted injury.
- Alcoholism or an addiction to drugs or narcotics (except for an addiction to a prescription medication when administered in accordance with the advice of a physician).

**Non-Duplication** Benefits will be reimbursed only for covered expenses that are in excess of the amount reimbursable under:

- Medicare (including amounts that would be reimbursable but for the application of a deductible or coinsurance amount).
- Except for Medi-Cal, any other Federal, state or other governmental health or long term care program or law.

This non-duplication provision will not disqualify a covered expense from being used to satisfy any Elimination Period requirement.

**Other Coverage**[11] If you have other coverage with us that pays for long term care expenses, benefits that are otherwise reimbursable to you will be reduced so that the combined benefits under all coverage do not exceed 100% of your actual expenses for covered care. Review the Outline of Coverage, and your policy, for state-specific details of the exclusions and limitations.

[11] This does not include coverage that is provided in the form of an acceleration of life insurance or annuity benefit payments.

# Why Genworth Life Insurance Company?

Choosing a long term care insurance company is an important decision. You need a reputable company with a range of flexible insurance products. That company is Genworth Life Insurance Company (Genworth Life).

## Long Term Care Insurance Experience and Expertise

- Genworth Life helped pioneer long term care insurance in **1974**.
- Today we insure more than **1,000,000**[12] people who benefit from our knowledge and expertise.
- For over **35 years**, we have been servicing long term care insurance policies.
- We provide extensive information on the costs of long term care. To access information for the cost of care in your area, visit **genworth.com/costofcare**.

[12] 2011 LIMRA Individual Long Term Care Report. Based on Genworth companies' share of in force lives.

# Notes

**Genworth Life Insurance Company**
LONG TERM CARE INSURANCE
6620 West Broad Street
Richmond, VA 23230

Be sure to carefully review the policy for definitions and more details of its coverage and its features. The descriptions contained in this brochure are not intended to be a substitute for the policy. Policy terms and provisions will prevail.

This solicitation of insurance is for individual policy form series 7037D. An insurance agent/producer will contact you. Details about the benefits, costs, limitations and exclusions of these long term care insurance policies will be provided to you by a licensed insurance agent/producer.

All applications are subject to the underwriting requirements of Genworth Life Insurance Company. All guarantees are based on the claims paying ability of the issuing insurance company.

| | | |
|---|---|---|
| **Insurance and annuity products:** | **• Are not deposits.**<br>**• May decrease in value.** | **• Are not insured by the FDIC or any other federal government agency.**<br>**• Are not guaranteed by a bank or its affiliates.** |

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