

## Long-Term Care Insurance

**MetLife®**

# VIP2 Policy Series





## MetLife Individual Long-Term Care Policies

- **VIP2 Policy Series - Three Comprehensive Policies**
  - A comprehensive Policy offers options for coverage in home and community settings, as well as in facilities such as nursing homes and assisted living facilities.
    - Value
    - Ideal
    - Premier
- **One Facilities-Only Policy**
  - A Facilities-Only Policy offers options for coverage only in approved facilities. Care in the home or community is not available with this type of Policy.



## Basic Features and Benefits - Issue Ages

- 18-84 (18 to 30 premiums banded)
- Currently the average age of clients purchasing MetLife's Individual LTCI is 56
- In the Employer Multi-Life or Group Market the average purchase age is lower (early to mid-40's)



## Basic Features and Benefits - Daily Benefit Amount (DBA)

- LTCI benefits are purchased and determined in the form of a Daily Benefit Amount
  - The maximum dollar amount a policy will pay for care received by the insured on any given day
  - Available in \$10 increments from \$50 to \$400
- The DBA can be paid out either as:
  - A reimbursement of covered services (Value, Ideal and Facility-Only Policies)
  - An indemnity (Value Policy with the Indemnity Rider)
  - A cash payment (Premier Policy)



## Basic Features and Benefits

- **Daily Reimbursement (Value Policy)**
  - Pays up to the chosen Daily Benefit Amount (DBA) computed on a daily basis, for covered services the insured receives

Example: If an insured has a Value Policy with a \$100 DBA, he/she will be reimbursed up to \$100 a day for covered long-term care services. If the covered services on Monday cost \$50, he/she will be reimbursed \$50. If the covered services on Tuesday cost \$150, the client will be reimbursed \$100 (the maximum DBA).



## Basic Features and Benefits

- **Monthly Reimbursement (Ideal and Facilities-Only Policies)**
  - Pays benefits on a monthly basis for covered services the insured receives at any time during the calendar month
  - The most the insured will be reimbursed in any given month is the Maximum DBA times the number of days in that month

Example: If an insured has an Ideal Policy with a \$100 DBA, he/she will be reimbursed up to \$3,100 a month (\$3,000 for months with 30 days) for covered long-term care services. If he/she receives covered services for 20 days in a month at a cost of \$150 per day, he/she will be reimbursed \$3,000 (\$150 times 20 days) even though the DBA is \$100.



## Basic Features and Benefits

- **Indemnity (Value Policy with Indemnity Rider)**
  - This type of Policy will pay the Maximum DBA regardless of the cost of services received on a given day
  - The insured must receive covered services, and must submit proof that a service was received to be reimbursed the Maximum DBA
  - The benefit amount is calculated on a daily basis

Example: If an insured, who is benefit eligible, has a Policy with a \$100 DBA, he/she will be paid the maximum DBA of \$100 every day that he/she receives covered long-term care services, even if the care received only costs \$50 each day.



## Basic Features and Benefits

- **Cash Payment (Premier Policy)**
  - Will pay the Maximum DBA without having to submit proof of receiving Basic services (must show proof if services are received in a facility in order to establish proper DBA)
  - The benefit amount is calculated on a monthly basis (Maximum DBA times the number of days in that month)
  - This type of Policy allows the insured to use the benefit for any service, even informal care

Example: If an insured, who is benefit eligible, has a Premier Policy with a \$100 DBA, he/she will be paid the maximum DBA of \$100 times the number of days in that month (\$100 times 30 days = \$3,000), regardless of whether or not the insured receives services.



## Basic Features and Benefits - Home and Community Care (continued)

- **Home and Community Care Choices:**
  - 100%, 75% or 50% of the Daily Benefit Amount  
(For example, a \$100 DBA at 50% = \$50 per day for care in the home or in the community.)
- Coverage for services provided at home by:
  - Licensed nurse
  - Licensed physical, occupational, speech or respiratory therapist
  - Certified private aide, home health aide or homemaker from a licensed agency
  - Care advisor from a care management organization



## Basic Features and Benefits - Home and Community Care (continued)

- Provides coverage for services provided in the community
  - In a licensed Adult Day Care
  - In an Adult Day Health Center

Note: Home and Community Care is called “Basic Services” under the Premier Policy and can be used to pay for all forms of formal and informal care because it is a cash payment benefit.

Home and Community Care is ***not available with the Facilities-Only Policy***



## Basic Features and Benefits - Assisted Living Facilities

- Coverage for care in Assisted Living Facilities is paid at 100% of the Nursing Home DBA chosen, except under the Value Policy:
  - Value Policy Assisted Living Facility Benefit is equal to Home Care/Community Care Benefit

Example: Value Policy with a \$100 DBA at 75% Home Care = \$75 per day for care in an Assisted Living Facility.



## Basic Features and Benefits - Benefit Periods

- Each policy provides benefit period choices
  - The benefit period selected will determine the client's Total Lifetime Benefit (TLB)
    - Benefit Periods of 2, 3, 4, 5, 7 years or Unlimited
    - The Unlimited benefit period is not available to applicants over the age of 79 or with the Premier Policy
  - If an Unlimited benefit period is selected and the insured becomes eligible for benefits, the benefits will be paid for the life of the insured's claim (subject to daily/monthly caps)



## Basic Features and Benefits - Benefit Periods (continued)

- The period of years selected determines the “Total Lifetime Benefit” (TLB):

$DBA \times \text{Benefit Period (years)} \times 365 \text{ (days in a year)} = \text{Total Lifetime Benefit}$

Example:  $\$100 \times 5 \times 365 = \$182,500$

The Total Lifetime Benefit of \$182,500 is the total amount of money that could be paid to the insured. However, if the client purchased an inflation protection option the Total Lifetime Benefit would increase annually.



## Basic Features and Benefits - Elimination Period

- Similar to the risk shifting premise of a deductible, the elimination period is the number of days an insured must be benefit eligible (Chronically III) prior to certain benefits becoming payable
  - 20, 45 or 100 day elimination period can be selected
  - The elimination period only needs to be satisfied once for the life of the policy



## Basic Features and Benefits - Elimination Period (continued)

- *Days of Service (Value, Ideal and Facilities-Only)*
  - Only those days in which the insured receives qualified covered services are counted to satisfy the elimination period

Example: If a client chooses a 20-day elimination period and receives services only on Monday, Wednesday, Thursday and Friday he/she will need to pay for services out-of-pocket for almost 5 weeks (4 days a week times 5 weeks = 20 days of service) before satisfying the elimination period and becoming eligible for benefits. The client's LTCI policy will pay the applicable benefit for services that begin on day 21.



## Basic Features and Benefits - Elimination Period (continued)

- *Calendar Days* (Premier Policy)
  - Each day is counted to satisfy the elimination period regardless of services rendered

Example: If a client chooses a 20-day elimination period and is certified by his/her physician to be chronically ill on February 1<sup>st</sup>, benefits will begin to be paid on February 21<sup>st</sup>, if the client remains chronically ill, regardless of the amount of care received or who provided care during the first 20 days.

- Make sure your clients know the difference between *Days of Service* and *Calendar Days*!



## Basic Features and Benefits - Bed Reservation (All Policies)

- The policy will continue to pay the daily benefit amount for nursing home/facility care up to **50 days** per policy year if the insured must leave the facility on a temporary basis for any reason



## Basic Features and Benefits - Respite Care (Value and Ideal Policies Only)

- 21 days per policy year
  - Provides the insured with temporary care if the informal caregiver (such as a family member) needs to take some time off
  - Benefit is usually accessed prior to receiving other benefits under the policy
  - Pays up to 100% of the Maximum DBA, depending on the setting in which services are provided
  - Elimination period does not need to be satisfied, and receipt of benefit will not count toward satisfying elimination period
  - Benefits paid will reduce the Total Lifetime Benefit amount



## Basic Features and Benefits - Caregiver Training

- The benefit will pay for the training of a family member or friend to help take care of the insured's long-term care needs
- Reimburses up to 5 times the nursing home DBA for the life of the policy
- No elimination period required to receive this benefit
- Benefits paid will reduce the Total Lifetime Benefit amount
- ***Not applicable with Premier Policy***



## Basic Features and Benefits - Transition Expense Allowance

- After the elimination period is satisfied will reimburse actual charges the insured incurs for qualified LTC services during or after the elimination period as long as the insured was eligible for benefits
- Reimburses up to 15 times the nursing home DBA for the life of the policy
- May include, personal emergency response systems, durable medical equipment or home modifications pursuant to a Plan of Care
- Benefits paid will reduce the Total Lifetime Benefit amount
- ***Ideal and Facilities-Only Policies Only***



## Basic Features and Benefits - International Coverage (All Policies)

- Pays the DBA for care outside of the U.S. and its territories on a cash payment basis
  - The DBA that is paid is:
    - 50% of Home Care DBA (Value and Ideal Policies)\*
    - **100% of Basic Benefit DBA (Premier Policy)**
    - 25% of Nursing Home DBA (Facilities- Only Policy)\*
  - Elimination Period is calendar days (2x regular EP) except Premier Policy (same as regular EP)
  - Proof of covered services is not required
- \*Maximum Benefit (Value, Ideal and Facilities-Only) is lessor of TLB (less any benefits paid in US) or Per Diem Benefit for International Coverage times 3,650



## Basic Features and Benefits - Alternate Services Benefit

- An insured may receive benefits for care provided by a facility or person that is not specifically defined in the policy
  - A MetLife nurse must approve it as a service that meets the client's long-term care needs according to MetLife's guidelines
  - The care may not be provided by a member of the insured's immediate family
  - ***Not applicable with the Premier Policy***



## Basic Features and Benefits - Supportive Services (Informal Care)

- Benefit for supportive services to help allow an insured to remain in their home, such as;
  - 1 x Home Care DBA per month for Shopping, personal laundry services, meal preparation, Meals on Wheels and light housekeeping
- Benefit for Specialized Transportation to transport insured when they need Qualified LTC Services
  - Vehicle with ramps, lifts or special equipment
- ***Available with Ideal Policy Only***



## Basic Features and Benefits - Contingent Benefits Upon Lapse

- Contingent Nonforfeiture goes into effect if the policy lapses within a 120-day period following the due date of a substantially increased premium according to a schedule that varies with the insured's age. The insured may also elect to reduce benefits
- **No longer a Rider, included in base policy**



## Benefit Increase Riders/Options

- 5% Compound Inflation Protection
  - DBA will automatically increase annually by 5% of the **current** DBA with NO corresponding increase to the premium
  - The balance of the Total Lifetime Benefit (TLB) amount will automatically increase annually based on the increase in the DBA.
  - Increases continue when benefits are being paid



## Benefit Increase Riders/Options (continued)

- 5% Simple Inflation Protection
  - DBA will automatically increase annually by 5% of the **original** DBA with NO corresponding increase to the premium
  - The balance of the Total Lifetime Benefit (TLB) will automatically increase annually based on the increase in the DBA.
  - Increases continue when benefits are being paid



## Benefit Increase Riders/Options (continued)

- Future Purchase Option (FPO)
  - DBA and balance of lifetime benefit automatically increase by 5% annually unless the client rejects the increase
  - Cost of the “increase” in coverage will be based on the insured’s attained age and premium rates at the time the increase takes effect
  - Rejection of an increase two times in a row stops any future automatic increases unless the client asks to have them reinstated
  - Increases are not available if the insured is benefit eligible
- No Inflation Protection
  - The DBA and TLB remains the same throughout the lifetime of the policy



## Optional Riders - Nonforfeiture Rider (All Policies)

- If policy and rider premiums have been paid for at least 3 policy years and for any reason the insured stops paying premiums (lapses) or sends a written request to cancel the policy, a reduced Total Lifetime Benefit (TLB) will be available
  - Reduced TLB will be the greater of:
    - 30 times either the Nursing Home Maximum DBA or Facility DBA (which ever is shown on page 3 of the policy, in effect immediately prior to the Nonforfeiture Date) or
    - The sum of all premiums paid or waived under the terms of the policy
    - The total benefit available will not be more than the remaining TLB when policy lapsed
- Additional premium for this rider is 12% of base rate



## Optional Riders - Optional Indemnity Rider (Value Policy Only)

- Must be purchased at time of application
  - Pays the full DBA every day that a primary service is received, regardless of cost of that service
  - Allows the insured to have more flexibility in their care
  - Combines an affordable policy with control of benefit dollars that appeals to a segment of the market
  - No coordination of MetLife Coverage or Medicare required
  - No assignment of benefits



## Optional Riders - Return of Premium Rider (All Policies)

- Provides for a return of premium at Insured's death
  - Amount of premium returned is total premium paid less benefits paid or payable by MetLife
  - Premium returned is paid to the Estate of the Insured or a **designated beneficiary**
  - Must be purchased at initial application
  - Rider must be in effect for 10 years
  - Additional premium for this rider is 23% to 58% of base rate depending on age
  - There may be tax consequences for the Insured's estate when the LTCI premiums are returned - client should check with a tax advisor



## Optional Riders - Calendar Day Rider\* (Value and Ideal Policies only)

- Once Chronically Ill, Home and Community Care Elimination Period Changes from Days of Service to Calendar Days
- 50 times NH DBA for supplemental items, i.e., durable medical equipment, certain home modifications, personal emergency response systems - Do not need to satisfy EP and payment reduces Total Lifetime Benefit
- Rider must be purchased at initial application
- Cannot be purchased with Home Care Elimination Period Waiver
- Additional premium is 7% of base rate

\*Replaces Home Care Plus Rider



## Optional Riders - Home Care Elimination Period Waiver (Value and Ideal Policies only)

- Waives the EP for home and community based care, once the insured is chronically ill
  - Days that Home and Community Care are received count toward satisfying the Facility Care EP.
  - Pays a maximum lifetime benefit amount up to 50 times NH DBA for supplemental items such as durable medical equipment, certain home modifications, personal response systems - Do not need to satisfy EP and payment reduces Total Lifetime Benefit
  - Rider must be purchased at initial application
  - Cannot be purchased with Calendar Day Rider
  - Additional Premium is 17% of base rate



## Optional Riders - Shared Care Rider (All Policies)

- Allows spouses/domestic partners\* to utilize each other's benefit pool
  - When the first spouse/domestic partner depletes his/her Total Lifetime Benefit , he/she can tap into the second spouse's /domestic partner's Total Lifetime Benefit
  - If insured spouse/domestic partner dies, the remaining Total Lifetime Benefit, if any, from the deceased insured spouse's/domestic partner's policy will be added to the remaining Total Lifetime Benefit under the living insured spouse's/domestic partner's policy
  - Spouses/domestic partners must have identical Policy benefits
  - Can be purchased at any time, subject to Underwriting

\*Not applicable in VA



## Optional Riders - Shared Care Rider (continued)

- Both can utilize same Total Lifetime Benefit
- Rider *not available* with Unlimited Benefit Period or with Restoration of Benefits Rider
- Waiver of premium only for spouse/domestic partner on claim
- Future Purchase Option Increases available only for non-claim spouse/domestic partner
- Both spouses/domestic partners may be on claim at the same time
- Additional premium is 6% to 32% of base rate depending on Benefit Period selected



## Optional Riders - Survivorship Rider (All Policies)

- Provides financial relief for a surviving Spouse/Domestic Partner\* when the other Spouse/Domestic Partner dies
  - Rider Must be in effect for 10 years without any benefits paid or payable
  - Surviving spouse/domestic partner will be entitled to a paid-up policy if the other one dies
  - Can be purchased at any time, subject to underwriting
  - Identical coverage is not required
  - Additional premium is 9% of base rate

\*Not applicable in VA



## Optional Riders - Restoration of Benefits Rider

- Restores all or part of the Total Lifetime Benefits if:
  - The insured receives benefits, then recovers and is not chronically ill for 180 days, and
  - The Total Lifetime Benefit was not exhausted
- Must be purchased at time of initial application
  - The EP does NOT have to be satisfied again when the insured goes back on claim in the future!
  - Additional premium is 2% to 8% based on the Benefit Period selected
  - ***Not available with Premier policy, Shared Care Rider or Unlimited Benefit duration***



## Value Policy Features and Benefits

- The Value Policy includes the following features:
  - Daily Reimbursement
  - Nursing Home/In-patient Hospice up to 100% of DBA
  - Home Care/Adult Day Care choice of 100%, 75% or 50% of DBA
  - Assisted Living same as selected for Home Care DBA
  - Elimination Period = Days of Service
  - Caregiver Training
  - Bed Reservation
  - Respite Care 21 days per policy year
  - International Coverage
  - Optional Indemnity Rider



## Value Policy Features and Benefits (continued)

- The following are *not* available with the Value Policy:
  - Transition Expense Allowance
  - Supportive Services/Specialized Transportation



## Ideal Policy Features and Benefits

- The Ideal Policy includes the following features:
  - Monthly Reimbursement
  - Nursing Home / Assisted Living / In-patient Hospice up to 100% of DBA
  - Home Care / Adult Day Care choice of 100%, 75% or 50% of DBA
  - Elimination Period = Days of Service



## Ideal Policy Features and Benefits (continued)

- The Ideal Policy includes the following features (Continued):
  - Caregiver Training
  - Respite Care 21 days per policy year
  - Bed Reservation
  - International Coverage
  - Transition Expense Allowance
  - Supportive Services/Specialized Transportation



## Ideal Policy Features and Benefits (continued)

- The following is *not* available with the Ideal Policy:
  - Indemnity Rider



## Premier Policy Features and Benefits

- The Premier Policy includes the following features:
  - Cash Payment / Per Diem Benefit – Paid out on a daily basis
  - No proof of Covered Services (no bills) required for Basic Benefit claims
  - Nursing Home / Assisted Living Facility / In-Patient Hospice 100% DBA (pays full DBA regardless of cost of services; proof of confinement required in order to establish proper DBA)



## Premier Policy Features and Benefits (Continued)

- The Premier Policy includes the following features (continued):
  - Basic Benefit (non-Facility) choice of 100%, 75% or 50% of DBA
  - Elimination Period = Calendar Days
  - Bed Reservation
  - International Coverage



## Premier Policy Features and Benefits (Continued)

- The following features are **not applicable** (because the client can choose how to use his/her benefit dollars, these options are not necessary in the Premier Policy):
  - Respite Care
  - Caregiver Training
  - Transition Expense Allowance
  - Alternate Service Benefit
  - Supportive Services / Specialized Transportation
  - Coordination of Benefits



## Premier Policy Features and Benefits (Continued)

- The following features are *not available* with the Premier Policy:
  - Unlimited Benefit
  - Optional Indemnity Rider
  - Optional Restoration of Benefits Rider
  - Optional Calendar Day Rider
  - Optional Home Care Elimination Period Waiver Rider



## Facilities-Only Policy Features and Benefits

- The Facilities-Only Policy includes the following features:
  - Monthly Reimbursement up to amount of covered service, not to exceed DBA times days in the month
  - Nursing Home / Assisted Living Facility / In-patient Hospice up to 100% of DBA
  - Elimination Period = Days of Service
  - Transition Expense Allowance
  - Caregiver Training
  - International Coverage



## Facilities-Only Policy Features and Benefits (continued)

- **Because this Policy only offers coverage in a facility, the following features do not apply:**
  - Home Health Care
  - Adult Day Care
  - Respite Care
  - Supportive Services / Specialized Transportation
  - Optional Indemnity Rider
  - Optional Calendar Day Rider
  - Optional Home Care Elimination Period Waiver



## VIP2 Premium Discounts

- 30% Spousal (both must apply and be approved)
  - Domestic Partners eligible where permitted by law \*
- 15% Marital (both do not have to apply)
  - Domestic Partners eligible where permitted by law\*
- 15% Residential (2 or more people living together who apply and are approved, e.g., siblings, friends, couples not defined as domestic partners)
- 10% Preferred Health
- 5% or 10% Multi-Life Discounts
- Discounts are additive

\*Not applicable in LA and VA



## VIP2 Premium Payment Riders

- Must choose at initial application, and not available with Future Purchase Option
  - 10 Year Premium Payment (paid-up after 10 years)
  - Paid Up Premiums Rider (paid up at age 65 – minimum 10 years)
  - Double Pay First year (reduced premium in 2<sup>nd</sup> year and thereafter)
  - Reduced Pay at age 65 (higher premiums prior to age 65 – premium reduced by 50% on or after policy anniversary at age 65)

*Note:* Choosing any of the payment options other than regular pay may impact the tax deductibility of the premium. The client should consult a tax advisor for further clarification.



## Premiums Waived on Claim

- Once the insured is receiving payment of benefits.



## Policy Effective Dates

- Cash with application
  - Conditional Coverage as of date application signed
  - Policy effective date will be date when the last underwriting/forms requirement is met
  - If claim is incurred between application sign date and date last requirement is received, policy effective date will be changed to application sign date
- No cash with application
  - No Conditional Coverage
  - Policy effective date is 28 days after last underwriting/forms requirement is met



## Policy Delivery Requirements

- To be in compliance with the HIPAA requirements, it is critical that policies be delivered within 30 days of approval and that a record of that delivery is on file
  - Deliver the LTCI policy within 30 days from the policy approval date
  - Have the insured sign the Policy Delivery Receipt (PDR)
  - Any changes made to the policy at delivery should be recorded on page 2 of the PDR



## 30-Day Free Look Period

- Once you deliver and review the policy with the insured they have 30 days to review it and make any changes to their coverage or return it for a full refund
- Any requests for changes at this time should be made in writing and signed by the insured
- Any changes after this time frame may require a new application and underwriting



## Coordination of Benefits

- If a client has more than one MetLife Individual LTC policy or a MetLife LTC Group certificate, the claims payable will be coordinated
  - The benefit amount payable will be reduced so that the combination of all policies will not exceed 100% of the cost of covered services
    - Not applicable with the Premier Policy or when Indemnity Rider is added to Value Plan
    - The policy or certificate with the earliest issue date will be deemed the primary coverage
    - Reimbursement Policies must follow HIPAA requirements regarding Medicare



## Policy Limitations and Exclusions

- **What's not covered under the Value, Ideal and Facilities-Only Policies<sup>1</sup>:**
  - No payment will be made for any of the following:
    1. Treatment of alcoholism or drug addiction, unless the addiction was due to such drug (s) taken on the advice of a physician
    2. Any care received while in a hospital, except in a unit specifically designated as a Nursing Home or Hospice Facility
    3. Any injury or sickness that results from (a) any war, or act of war (whether declared or undeclared); or (b) participation in a felony, riot or insurrection

<sup>1</sup>Riders may contain limitations



## Policy Limitations and Exclusions (continued)

- **What's not covered under the Value, Ideal and Facilities-Only Policies (continued):**
  4. Any intentionally self-inflicted injury
  5. Services, other than supportive services<sup>2</sup>, performed by a member of the insured's immediate family
  6. Any care or services received outside the United States or its territories except as described in the International Coverage Section of the policy

<sup>2</sup> For Value and Facilities-Only Policies, the exclusion is as follows:  
Services performed by a member of your immediate family.



## Policy Limitations and Exclusions (continued)

- **What's not covered under the Value, Ideal and Facilities-Only Policies (continued):**
  7. Any service or supply to the extent the expense for it is reimbursable under Medicare, or would be reimbursable but for the application of a deductible, coinsurance or co-payment amount. This exclusion will not apply where Medicare is the secondary payer under applicable law.
  8. Treatment received in a government facility (unless otherwise required by law): services for which benefits are available under a government program (except Medicaid); or services for which no charge is normally made in the absence of insurance.



## Policy Limitations and Exclusions (continued)

- **What's not covered under the Premier Policy:**
  - No payment will be made for any of the following:
    1. Any injury or sickness that results from: (a) any war, or act of war (whether declared or undeclared); or (b) participation in a felony, riot or insurrection
    2. Any intentionally self-inflicted injury



## Policy Limitations and Exclusions (continued)

- For all plans, these exclusions may not apply in all states and may vary depending on the state in which the client lives at the time of policy issue or the plan that is selected
- The policy that the insured receives will contain the exact exclusions for the resident state
- If the insured moves to another state, the state guidelines where the policy was originally issued will apply



## Important Information

Like most long-term care insurance policies, MetLife's policies contain certain exclusions, limitations, waiting periods, reductions of benefits and terms for keeping them in force.

Policy Features and Benefits May Vary By State