OVERVIEW

1. What is long-term care insurance?

Long-term care insurance can help reimburse you for the cost of care if you’re chronically ill—for example, if you need help with everyday activities (like eating, bathing or dressing). It also pays for care if you need supervision due to a cognitive impairment like Alzheimer’s disease.

People often confuse long-term care insurance with long-term disability insurance. Long-term disability insurance provides income protection to help you cover daily expenses such as rent, utilities, and food. It isn’t intended to pay for your care if you have a long-term care situation.

2. What does long-term care insurance cover?

Long-term care insurance covers care received in a nursing or assisted living facility, at home, or in community settings like adult day care centers. It can also help reimburse the costs of in-home care, including home modifications, caregiver training, in-home monitoring systems, and a respite care benefit that can give you a break from your caregiver routine.
3. **Who should consider long-term care insurance?**

   Everyone. Regardless of age, you could suddenly be in a situation where you need long-term care services. A broken bone, chronic disease, or cognitive impairment such as Alzheimer’s disease could mean months or even years of on-going care. Long-term care insurance can help pay for this kind of care.

4. **How much does long-term care insurance cost?**

   The cost of long-term care insurance varies depending on your age and the options you choose. Please visit the website or call the customer service number listed in number eight below for your rate information.

5. **Should I wait until I’m older to buy it?**

   Not necessarily. Long-term care insurance premiums are based on your age when you apply—so the younger you are, the lower your premiums will likely be. Also keep in mind that an accident or illness requiring long-term care services could happen at any time, and you may not meet the underwriting requirements for coverage by the time you decide to apply.

**ELIGIBILITY**

6. **Who's eligible to apply for coverage?**

   You’re eligible for long-term care coverage if you’re a:

   A. Benefits-eligible, full-time employee (any age) who works at least 35 hours per week
   
   B. Family member (under age 76) of an eligible employee. This includes:
      - spouses and surviving spouses
      - adult children
      - siblings and spouses of siblings
      - parents, parents-in-law, step parents, step parents-in-law
      - grandparents, grandparents-in-law, step grandparents and step grandparents-in-law
• retirees, retiree spouses and surviving spouses

All applicants must maintain a permanent U.S. residence and have a valid Social Security Number or Tax Identification Number.

7. **Do I have to apply in order for my spouse/partner, parents, or other family members to get coverage?**

No. Eligible family members can apply for coverage regardless of whether the eligible employee applies.

**ENROLLMENT**

8. **How can I enroll in long-term care coverage?**

If you’re a newly-hired full-time benefits-eligible employee and under age 66, you have 90 days from your hire date to apply with streamlined underwriting. If you apply after this 90-day window or if you’re 66 years or older, you must satisfy full medical underwriting requirements.

Family members under age 76 can also apply for coverage. All family members must satisfy full underwriting requirements when applying at any time.

To apply:

- Visit [Genworth’s website](https://genworth.com) (group name: UPenn; access code: group LTC)
- Call 1-800-416-3624 to speak to a Genworth Life’s customer service representative

9. **When does long-term care coverage go into effect?**

Generally, coverage will be effective on the first day of the month following the acceptance of your application for coverage.

You must be actively at work for at least 30 days before your coverage can go into effect. If you are accepted before then, your coverage will become effective once you meet the 30-day minimum work requirement.

10. **Can I increase my coverage?**

Yes. If you purchased an Automatic Benefit Increase Rider, your daily benefit and lifetime maximum benefit will increase annually by the percentage purchased (either 3% or 5% compound)

You can also apply for additional coverage at any time, but you’ll be subject to full medical underwriting.

11. **If age 75 is the oldest age for a family member to apply for this Program, does that**
mean the program ends when my family member reaches age 76?

No. Your family members must be under age 76 to apply for coverage. But once they enroll, they’ll continue to receive coverage as long as they pay their premiums and/or benefits paid don’t exceed the Coverage Maximum.

12. What happens to my coverage if I leave the University of Pennsylvania?

Your coverage is fully portable which means it will continue as long as you pay your premium on time.

13. Can I purchase long-term care insurance through Genworth Life if I’m already enrolled with John Hancock?

If you already have an existing long-term care contract with our previous vendor (John Hancock), but would like additional coverage, you can purchase more with Genworth Life, subject to full medical underwriting.

BENEFITS

14. When will I receive benefit payments for long-term care?

Benefits become payable when you’ve met the elimination period (also known as a waiting period) and one of the following applies:

- You need help with at least two activities of daily living* and will likely need it for at least 90 days, OR
- You’re diagnosed with a cognitive impairment that requires supervision, and a medically-licensed healthcare professional certifies that your condition qualifies you.

*Activities of daily living are eating, dressing, continence, transferring (e.g., moving from a bed to the bathroom), bathing, and toileting.

15. What is an elimination or waiting period, and how does it work?
Once you qualify for benefits, a waiting period starts on the first day you receive care and incur a covered expense, and continues for 90 calendar days while you remain chronically ill. You’re not required to receive services during the remainder of the 90 days. Once the elimination period is over, you’ll receive benefit payments for covered services. Keep in mind you won’t receive benefit payments for services provided during the first 90 days.

16. How do I file a claim?

Your certificate of coverage includes a toll-free number to call Genworth Life claim services and file a claim. First you’ll speak with an intake analyst, and then a member of the Genworth Care Coordination team will contact you. This team will help you develop a plan of care and provide information on long-term care resources in your area. They may also set up a face-to-face meeting and conduct a needs assessment.

17. Will I receive coverage for care provided by family members, friends, neighbors, etc.?

Yes. Our long-term care insurance includes an Informal Care benefit that pays a limited amount per year for care provided by “informal caregivers” (such as family members who do not live with you, friends, neighbors, etc.). The Informal Care benefit pays 25% of your daily benefit for up to 30 days each year.

For example, if you selected a $250 daily benefit, the annual Informal Care benefit would be $1,860 per year (25% x $250 = $62; $62 x 30 days = $1,860 per year).

18. What happens to my Total Coverage Amount (pool of money for eligible expenses) when I file a claim?

Your Total Coverage Amount is reduced by the amount of claims that are paid. Please note that this program does not contain a restoration of benefit provision, so the money used to pay your claim will not be restored.

PREMIUM PAYMENTS / TAXATION

19. How do I pay the premium for long-term care coverage?

For you and your spouse/partner:
- You’ll pay the premiums via payroll deduction if you’re paid 12 months out of the calendar year.
- You’ll pay the premiums directly to Genworth Life if you’re paid 9 months out of the calendar year, or you’re a retiree or former employee. Premiums can
be paid on a monthly basis via Electronic Funds Transfer (EFT), or quarterly, semi-annual, or annual basis via a direct payment (e.g., check).

For all other family members:
- The family member will pay the premiums directly to Genworth Life. Premiums can be paid on a monthly basis via Electronic Funds Transfer (EFT), or on a quarterly, semi-annual or annual basis via a direct payment (e.g., check).

20. **Once I receive benefits, do I continue paying a premium?**

No. Premium payments are waived while you’re receiving benefits under the Nursing Facility or Assisted Living Facility Benefit, Bed Reservation Benefit, Home and Community Care Benefit or Hospice Care Benefit.

21. **What happens if I don’t pay my premium on time?**

You have a 31-day grace period after the payment deadline during which you can pay your premium. If you still haven’t paid it by the end of the grace period, Genworth Life will send a notice to you, explaining that a payment was missed and that coverage is in danger of lapsing. If you designated someone else to be notified if a lapse in coverage occurs, Genworth Life will also send him/her a notice at the address you provided.

You’ll have an additional 35 days to pay your premium (beginning on the date Genworth Life mails the notice). If you pay within the allotted timeframe, coverage will continue without interruption. If you fail to pay, your coverage will be terminated as of the original due date of your premium.

22. **Can premiums increase in the future?**

We can’t guarantee that premiums will *never* increase. Genworth Life’s prices its coverage conservatively to help avoid future rate increases. However, they retain the right to raise premiums in the future. Any increase would be for all policyholders in a particular plan (not just you), and it would have to be reviewed and approved by the state insurance department that issued your coverage. You won’t be singled out for a rate increase, and your premiums will never increase based on your age, claim, or health status.

23. **Are there any tax advantages to enrolling in long-term care coverage?**

Our long-term care insurance program is a tax-qualified plan. That means your premiums are tax deductible for federal income tax purposes to the extent that they can be included in your medical expense deductions. Benefit payments are not subject to federal taxes.
You can also use your Health Savings Account (HSA) to get reimbursed tax-free, up to the limits listed in the table below.

Long-term care premiums are considered a medical expense and are deductible for most individuals, to the extent that they exceed 10% of your adjusted gross income. The amount of your premium that’s treated as a medical expense is defined by the Internal Revenue Service and based on your age.

2016 Long Term Care Insurance Federal Tax Deductible Limits

<table>
<thead>
<tr>
<th>Your Age (at the end of the tax year)</th>
<th>Deductible Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 or younger</td>
<td>$ 390</td>
</tr>
<tr>
<td>41–50</td>
<td>$ 730</td>
</tr>
<tr>
<td>51–60</td>
<td>$ 1,460</td>
</tr>
<tr>
<td>60–70</td>
<td>$ 3,900</td>
</tr>
<tr>
<td>71 or older</td>
<td>$ 4,870</td>
</tr>
</tbody>
</table>

Source: IRS Revenue Procedure: 2016


24. Can I use my Health Care or Dependent Care Flexible Spending Account (FSA) to pay for long-term care?

No, you can’t use an FSA to reimburse any portion of your premium for long-term care coverage. The IRS doesn’t consider long-term care insurance to be a “qualified benefit” for these purposes.

QUESTIONS

25. How can I learn more about Genworth Life and their long-term care plan options?

- Visit Genworth’s website (group name: UPenn; access code: groupltc)
- Call 800-416-3624 to speak to a Genworth Life customer service representative