

LAFRA - LONG TERM CARE FREQUENTLY ASKED QUESTIONS (FAQs)

WHO IS ELIGIBLE?

- **Active Members** participating in the PPO plan (Core plan is paid for by LAFRA)
- **Retirees** participating in the PPO plan (receive \$9.15 toward the purchase of a policy)
- **Surviving Spouses** participating in the PPO plan (receive \$9.15 toward the purchase of a policy)
- **Actively-at-work Employees** participating in the PPO plan (receive \$9.15 toward the purchase of a policy)
- **Family Members of the above including:** your spouse, parents, parents-in-law, grandparents, grandparents-in-law, siblings and children between the ages of 18-80, at the time of application

WHAT ARE THE LTC BENEFIT OPTIONS?

Duration Options: (how long the benefit pays out)

- 2 years
- 5 years
- Lifetime*

Monthly Benefit Amount Options: (how much the benefit pays out)

- \$1,500
- \$2,500
- \$3,500
- \$4,500
- \$5,500
- \$6,500*
- \$7,500*
- \$8,500*

Additional Options: Inflation riders that grow the policy benefit amount

- 5% Simple Inflation - increases the benefit on the policy anniversary date by 5% from the original amount
- 5% Compound Inflation - increases the benefit on the policy anniversary date by 5% from the previous year's amount

*Requires full medical underwriting for Active Members and Actively-at-work Employees

**Options above 2 years, \$1,500 per month require full medical underwriting for Retirees

***All options require full medical underwriting for surviving spouses and all extended family members

ENROLLMENT QUESTIONS:

- 1. Certain plans require medical underwriting, when you say “medical underwriting,” what do you mean by this? Will I have to have an exam?**

You will not necessarily be required to have an exam. The primary step is to complete a series of simple, mostly yes or no, questions in the application. From those answers, it will be determined if you need to provide more information.

For persons applying for coverage over the age of 70, there will be a face-to-face interview and possibly a paramedical exam. The main goal of these interviews is for Unum to confirm the applicant’s cognitive state and current abilities to perform activities of daily living.

- 2. If I apply for a volume of coverage above guaranteed issue limits (this applies to active members and active employees enrolled in the PPO medical plan), does that mean that if they decline coverage for me, I won’t be eligible for any of the benefit?**

No, if you do not pass medical underwriting, you are still eligible for the coverage level within guaranteed issue limits (5 years, \$5,500 per month), provided that you are within the open enrollment, guarantee issue period.

- 3. If I want to increase my monthly benefit amount at a later date past the open enrollment, will there be an increase in premium?**

Yes. If you wish to increase your monthly benefit amount past the guarantee issue period, you will be required to undergo medical underwriting. If you are approved, premium for the additional monthly benefit amount will be based upon your attained age.

- 4. After the initial enrollment period, if I want to increase my duration, add simple or compound inflation protection, will there be an increase in premium?**

Yes. If you choose to increase the duration of your monthly benefit, or add inflation, you must undergo medical underwriting. If you pass the medical underwriting, your entire plan will be completely re-rated at your attained age.

- 5. I have a small child; can I buy a policy for them?**

Although this is available to family members, they must be between the ages of 18-80 to apply for coverage. If someone purchased coverage at age 80, it does not mean they won’t receive care at age 95. The rule only limits the age at which they can apply for a new policy.

- 6. My siblings and I would like to purchase and pay for a policy for my mother. Can the bill be sent to me?**

Yes, a member or employee participating in the PPO plan can request that the bill for their parent’s coverage be sent to them.

- 7. Does my family have to enroll during the open enrollment period?**

No, family members can enroll in LTC at any time, subject to evidence of insurability. LAFRA Active Members and Active Employees enrolled in the PPO plan are being offered the guaranteed issue coverage amounts through May 20, 2011 as part of our implementation of the plan, so now is the time to enroll.

8. How does a family member sign up for coverage?

Enrollment forms for Long Term Care coverage are available on the UNUM Long Term Care website: <http://www.LAFRALTCEnroll.com>. Click on the **Enrollment** link in the upper right-hand corner of the page to access these forms, or you can contact the Unum Customer Contact Center at 800- 227-4165.

9. How do I make a change to my long term care coverage after the initial enrollment period?

If you wish to make changes to your coverage, you will need to submit a new benefit election form to change your coverage. If you are increasing your coverage, an Evidence of Insurability form will also be required. You can obtain the necessary forms by visiting <http://www.LAFRALTCEnroll.com>. If you need assistance please contact UNUM's Customer Contact Center at 800-227-4165.

FINANCIAL QUESTIONS:

1. Do I have to pay the premium when I am collecting the benefit?

No, you are not required to pay premiums while you are receiving benefits under the policy. If you rehabilitate to the point of no longer needing long term care and you have not exhausted your pool of benefits, you will simply resume making premium payments at the same amount you were paying before, to have your remaining pool of benefits accessible at a later date. This is called Waiver of Premium.

2. If I buy \$6,500 of coverage now and want to reduce it to \$4,500 at a later date, will there be any penalties?

No, you need only request the reduction. Provided that you are making no other changes to your policy, the new rate will be based on your original issue age. No medical questions are asked to reduce coverage. If you wish to decrease your coverage you will need to submit a new benefit election form. You can obtain the benefit election form by visiting <http://www.LAFRALTCEnroll.com>. If you have any questions or need assistance please contact UNUM's Customer Contact Center at 800-227-4165.

3. What happens when my pool of money is exhausted?

You must reapply for a new long term care policy. When it's gone, it's gone.

4. What if I don't use all of the benefit?

This is term insurance. There is no cash value. Your UNUM policy does not provide a return of premium.

5. When I incur a LTC claim who receives the benefit? Me, as the insured, or does the facility receive the money?

As the insured, the benefit will be sent directly to you unless you prefer to have it distributed differently.

COVERAGE QUESTIONS:

1. What if I already have an individual long term care policy?

Your UNUM policy does not have a coordination of benefits clause, meaning that the plan will pay benefits regardless of whether or not you have another policy. If you have a legitimate claim, the plan will pay benefits.

2. My brother lives in another state; can he apply for this benefit?

Yes, family members may reside in another state.

3. What's the difference between long term care and long term disability?

Long term disability is meant to be income replacement in the event you become disabled and are unable to work. Long Term Care is designed to pay for the cost of care due to age, illness or injury is unable to perform two of the six activities of daily living: toileting, transferring, eating, dressing, continence, or bathing.

4. Can I use a combination of my nursing home, assisted living and home health care benefits, or am I locked into one benefit (i.e.; can I go from a nursing home to assisted living)?

You can access each of these benefits as needed. If you use one benefit (i.e.; nursing home) you will still be able to use your other benefits as needed, up to the benefit maximum.

5. Can the insurance company cancel my policy?

This policy is guaranteed renewable. The insurance company cannot cancel the policy as long as you pay the premiums.

6. Can the insurance company raise the rates?

Yes, Unum does reserve the right to raise rates. Unum has never raised rates on any in-force group policy since they began providing these policies over 20 years ago. If rates are raised, however, any increase will only be based on a policyholder's age at the time he or she enrolled in the plan, and can only be done on a class basis. You cannot be individually singled out for a premium increase.

7. Can I receive care overseas?

Yes, your UNUM policy allows for care outside the United States, however you will only receive 75% of your home care benefit amount per month if the care is abroad. Please refer to the Outline of Coverage for further details and restrictions on plan benefits internationally.

8. What is my policy elimination period?

The elimination period (the "waiting period" that the insured must satisfy before benefit payments begin) under your UNUM plan is 90 days. It is a once in a lifetime deductible.

9. Must I wait until I've satisfied the elimination period before I file a long term care claim?

No, long term care claims should be filed as soon as you need assistance with the activities of daily living or need supervision.

10. Can my family members provide care?

The UNUM home care benefit allows you to get access to your full daily benefit amount (1/30th of your monthly amount chosen) for every day you receive one hour of care from a non immediate family member (skilled or unskilled) which means, a family member can take care of you after the first hour of care. **(Example:** if you require assistance bathing and dressing and you had elected the \$3,000 benefit, you could hire a home health aide for one hour to assist you for \$18.00 per hour. Because you received one hour of care that day, you would have access to the full \$100 (1/30th of \$3,000) of benefit for that day. You could then ask anyone, including immediate family, to help you for the remainder of the day and you could pay them the \$82.00 that you have left in your benefit for that particular day.)

11. Where can I get a claim form?

You can access and print a long term care claim form from the Unum website:

1. Go to <http://www.unum.com/>
2. Go to section labeled - *How can we help?*
3. Select *Download the Form*
4. Search by Form Number (top right hand corner) - Claim Form Number is - 1037-91

You can also call the Unum Benefits Center at 1-800-693-4988 to have a form faxed or mailed to you within two business days.

12. Where do I send the completed claim form?

After reviewing the claim form completely, sign it and mail to: Unum Long Term Care Benefits Center, 2211 Congress Street, Portland, ME 04122-2300.

13. Once I file a claim, how quickly will Unum respond?

Once Unum receives a claim, they will send you a written acknowledgement within three business days. A benefits specialist will then send you a letter, reviewing the status of the claim every 21 days thereafter. The process of evaluating a claim, including requesting and reviewing any additional information that may be needed, takes approximately four to six weeks from the time Unum receives a completed claim form to the final claim determination. This process can take place during the 90 day waiting period. The timeframe for a determination may vary. Once a claim decision is made, the benefits specialist will call you within one business day and will follow up with a clearly written explanation of the decision.

14. I have a question or concern about the status of a claim or the claim process.

Call the Unum Benefits Center at (800) 693-4988 during regular business hours.

OTHER QUESTIONS:

1. In terms of a licensed home health aide in California they need to:

- Complete the required hours of training (CNA's must have 120 hours, Home Health Aides have prior CNA certification plus 40 hours of training)
- Pass California certification exams and receive certification from California Dept of Public Health and certified by California State Board of Nursing

Outside of California:

- Each state is different typically 75 hours of training minimum
- Written examination

NOTE: The above is for informational purposes only. Specific plan details and definitions are found in the master long term care insurance policy issued by Unum.