



**QuietCare®** TAX-QUALIFIED LONG-TERM CARE INSURANCE



**Northwestern Long Term Care  
Insurance Company™**

A Northwestern Mutual Company

*Thanks to advances in medicine and healthier lifestyles, most of us will live well into our golden years. An important distinction, though, is that while we're living longer, we're not necessarily living independently longer.*

## **Protect your family's assets, lifestyle and options.**

Maintaining control over our own circumstances will become more and more meaningful with every passing year. We may be subject to chronic conditions like severe arthritis, Parkinson's, multiple sclerosis, Alzheimer's and other genetic or hereditary diseases for which there are presently no cures. We cannot predict the future, but the longer we live, the greater our chances are of needing caregiving services on a long-term basis.

And the high cost of receiving these services can jeopardize not only our lifestyle but our family's lifestyle and the financial security we've spent our lifetime establishing. That's why it's important to consider including long-term care insurance in our planning.



## **What is long-term care?**

Long-term care encompasses services provided to individuals suffering from a chronic illness, disabling condition or cognitive impairment. These services are generally needed for an extended period of time and may not “cure” or “heal” the patient. They focus on helping the individual with routine activities such as bathing, dressing and eating.

Services may be provided in your home, in your community, in an alternate living facility or in a nursing home. The range of services is broad in scope and can be provided by personal care providers, such as home health aides, or by professional care providers, such as registered nurses and physical therapists.



## What are your “perceived” options and your real options?

### YOUR FAMILY

Historically, family members have generally taken on the responsibility of caring for their aging parents. However, changes in family dynamics – having fewer children, having children later, dual-income families, more single parent households and families spread across the country – are weakening the traditional support network for caregiving.

If you’re relying on your family to provide care, ask yourself these questions:

- Will your spouse be healthy enough to provide you with long-term care?
- Do you have children?
- If so, is it a preferred option for both you and your children that they care for you?
- Do they live nearby?
- If not, would one of you be willing to move in order for them to care for you?
- Do they work?
- Do they have their own children?
- How much time will your children may have to care for you?

To have family members become caregivers is not often a planned option, but rather a situation of reaction or need. Juggling caregiving and work responsibilities may result in caregivers arriving late and leaving early from their jobs, taking time off during the day or working weekends – sacrifices that can ultimately reduce lifetime earnings and retirement savings.

When private insurance pays for long-term care, caregivers can spend more quality time with their loved one, serving to enhance emotional well-being.



## **DISABILITY INCOME INSURANCE**

A fundamental building block to an overall financial plan, disability income insurance is designed to protect your ability to earn income should you become sick or hurt and unable to work. However, it is not designed specifically to fund long-term care and does not necessarily protect your assets.

## **MEDICARE**

For most Americans, Medicare becomes our health insurance at age 65. It is designed to pay primarily for acute, short-term conditions such as broken bones, emergency surgery and heart attacks – conditions that are usually treated in a hospital or in a skilled nursing facility.

Medicare primarily pays medical benefits, but generally pays limited or no long-term care benefits for chronic conditions such as Alzheimer’s disease, osteoporosis, Parkinson’s disease and severe arthritis.

Medicare generally doesn’t pay for custodial (non-skilled) care in the home, in the community, in alternate living facilities or in nursing facilities – the type of care required by chronic medical conditions that evolve over a longer period of time. To qualify for Medicare-covered skilled care, you must meet certain conditions when you get out of the hospital. Some Medicare Advantage Plans may offer limited skilled nursing facility and skilled home care if the care is medically necessary.<sup>1</sup>

<sup>1</sup> “Medicare and You 2009,” Department of Health and Human Services, 2009.

**If the necessary conditions are met, skilled nursing facility services are covered as follows:<sup>2</sup>**

<b>DAYS</b>	<b>YOU PAY</b>	<b>MEDICARE PAYS</b>
1-20	Nothing	Everything
21-100	\$133.50/day	Balance
101+	Everything	Nothing

Based on 2009 figures.

### **National Annual Projected Cost of Long-Term Care Services**

(assuming a 5 percent annual increase in costs)<sup>3</sup>

	<b>2008</b>	<b>2038</b>
Home health aide (8 hours/day)	\$75,920	\$328,122
Assisted Living Facility	\$41,160	\$177,891
Private Room (Nursing Home)	\$76,650	\$331,277

In 2008, a 50 year-old would have to accumulate over \$1,800,000 to pay for five years of home health care by the time he or she reached age 80. With an after tax return of 6% annually, a single investment of over \$280,000 would be needed today to fund that future home health care expense.

Note: These figures provide national averages. See your financial representative (a licensed agent) for the average cost of care in your area.



<sup>2</sup> "Medicare and You 2009," Department of Health and Human Services, 2009.

<sup>3</sup> Source of cost of care by state = Northwestern Long Term Care Cost of Care Survey, November 2008. Long Term Care Group, Inc. Annual cost of home health aide based on average hourly rate, 8 hours a day, and 365 days a year. Annual cost of assisted living based on average monthly rate for 12 months. Annual cost of nursing facility based on average nursing home private daily room rate for 365 days. Future cost based on 5% annual increase. Assumption is an estimate; actual inflation may be higher or lower than 5% .

## MEDICAID<sup>4</sup>

This state-administered government-funded program pays health care expenses for low-income individuals. If eligibility requirements are met, Medicaid can pay for nursing facility and limited home health care services. The recipient must meet the state's eligibility requirements.

## PRIVATE PAY

Another potential option is to pay privately for long-term care out of your own income and savings. For most of us, this option is not economically feasible because of annual costs that continue to outpace gains in real income. From 1990 to 1995, nursing home costs rose 6.25 percent a year; a government study forecasts that home health and nursing home costs will rise 5.8 percent a year through 2010.<sup>5</sup>

## LONG-TERM CARE INSURANCE

Only long-term care insurance is specifically designed to reimburse some of the costs of receiving various levels of care for chronic conditions either in your home, in the community, in alternate living facilities or in nursing homes. This gives you more options as to when, where, how much and what type of care you can receive.



<sup>4</sup> Also referred to as MassHealth in Massachusetts.

<sup>5</sup> "What Does Long-Term Care Cost?", National Clearinghouse for Long-Term Care Information, U.S. Department of Health and Human Services, [http://www.longtermcare.gov/LTC/Main\\_Site/Paying\\_LTC/Costs\\_Of\\_Care/ Costs\\_Of\\_Care.aspx](http://www.longtermcare.gov/LTC/Main_Site/Paying_LTC/Costs_Of_Care/ Costs_Of_Care.aspx), January, 2008. Paper copies are available upon request.

## Your choices with QuietCare® long-term care insurance

QuietCare,® long-term care insurance offered through Northwestern Long Term Care Insurance Company (Northwestern Long Term Care), helps you plan for the ability to afford options such as...

### CARE IN YOUR HOME

Home care services can be an alternative to receiving care in a facility setting. Home health-care-eligible providers include qualified home health-care agencies or certain qualifying independent care providers which deliver care in:

- Your home
- The home of a friend or relative, or
- A community-based residential facility.





Qualified home health-care agencies must be licensed and/or certified by the state<sup>6</sup> and provide care by one or more of the following qualified home healthcare providers:<sup>7</sup>

- Registered nurses
- Licensed practical nurses
- Licensed vocational nurses
- Occupational therapists
- Physical therapists
- Speech therapists
- Licensed or certified social workers
- Certified home health aides
- Certified nursing assistants

An immediate family member may provide care if he or she meets the above criteria and is providing such care as an employee of a qualified home health-care agency.

You can also receive care through an independent care provider, who is a person not affiliated with a home health-care agency but otherwise meets the definition of a qualified home health-care provider as indicated above. A family member cannot be an independent care provider.

<sup>6</sup> In states that do not license or certify these providers, other guidelines may apply.

<sup>7</sup> Providers may vary by state.

Incidental homemaker services – support services necessary to remain in the home, such as meal preparation, laundry, light housekeeping and supervision of taking medications – may be delivered by a home healthcare-eligible provider if provided by the same individual and on the same visit as other qualified long-term care services.

**In addition to care in your home, you’ll also have options for . . .**

**Caregiver training.** Instruction for a friend or family member that teaches them how to better care for you.

**Care in your community.** Services such as adult day care that can allow your informal caregiver time during the day to work or take care of other needs.

**An alternate plan of care.** Avoid or postpone a stay in a nursing home or alternate living facility with a plan to reimburse costs for services and devices that could keep you in your home.<sup>8</sup>

**Care in an alternate living facility.** Includes assisted living, Alzheimer’s care, adult foster care, personal care or community-based residential facilities that provide ongoing care.

**Care in a nursing home.** Facilities primarily in the business of providing licensed nursing care (skilled, intermediate and custodial) to inpatients on a 24-hour-a-day basis.

**Hospice care.** Inpatient and outpatient services that provide end of life care while alleviating the physical, emotional and social discomforts of the terminally ill.



<sup>8</sup> A written agreement between a licensed healthcare practitioner, yourself and Northwestern Long Term Care Insurance Company is required.



## Customizing your QuietCare® policy

With QuietCare, you have a great deal of flexibility in terms of the amount of coverage and the related cost of the insurance. It's not an all or nothing decision – you can protect some, a little, or a lot, by the amount of coverage you purchase.

QuietCare may be purchased between the ages of 18 and 79. You can customize your policy to meet your specific needs and preferences. In order to determine the amount of coverage that's right for you, it is important that you understand the average costs of care in your area.

Your Northwestern Long Term Care financial representative can walk you through the details of the policy and help you complete a worksheet to create customized QuietCare plans based on different scenarios.

## Contact your financial representative<sup>9</sup> for more information

The purchase of long-term care insurance is a personal and important decision. Evaluating your financial situation with the assistance of your financial representative and your family will enable you determine what levels of coverage and optional benefits are most appropriate.

Taking this action will enable you to make a good, informed decision in choosing long-term care insurance coverage that best meets your needs while protecting your assets and preserving your choice of care.

Your state's insurance department may have additional information, including a buyer's guide, explaining long-term care insurance.

<sup>9</sup> A licensed insurance agent.



## Our financial strength

Northwestern Long Term Care Insurance Company is a wholly owned subsidiary of The Northwestern Mutual Life Insurance Company (Northwestern Mutual). Northwestern Long Term Care Insurance Company maintains the best possible insurance financial strength ratings from all four major rating services (see chart below).

Northwestern Mutual is one of the World's Most Admired life insurance companies, leading its industry in the attributes of financial soundness, quality of products/services and long-term investment, according to executives, directors and analysts responding to FORTUNE® magazine's 2009 annual survey.<sup>10</sup>

## Our commitment

Our ratings and reputation represent our promise to pay our claims and meet our obligations. Moreover, our third-party ratings provide a professional assessment of Northwestern Long Term Care Insurance Company's strength and security.

### NORTHWESTERN LONG TERM CARE INSURANCE COMPANY RATINGS.<sup>11</sup>

A++	AAA	AAA	Aaa
A.M. BEST	STANDARD & POOR'S	FITCH RATINGS	MOODY'S
Superior	Extremely Strong	Extremely Strong	Exceptional
Highest Rating	Highest Rating	Highest Rating	Best Possible Rating

These ratings provide a professional assessment of Northwestern LTC's financial strength and security and represent our promise to pay our claims and meet our obligations. Additionally, benefits of Northwestern LTC policies have been 100 percent guaranteed by Northwestern Mutual.

<sup>10</sup> March 16, 2009 issue, FORTUNE® magazine survey

<sup>11</sup> The four agencies listed base ratings on the financial strength of the insurance company. These ratings are not recommendations of specific policy provisions, rates or practices of the insurance company. Since its entrance into the long-term care insurance market in 1998, all four agencies have given Northwestern Long Term Care Insurance Company the best possible insurance financial strength ratings. At the time of this publication, our most current ratings are for the following dates: A.M. Best <MONTH, YEAR>, Fitch Ratings <MONTH, YEAR>, Moody's <MONTH, YEAR> and Standard & Poor's <MONTH, YEAR>. Third party ratings are subject to change.

This policy is intended to be a tax qualified long-term care insurance contract under section 7702B(b) of the Internal Revenue Code.

This brochure is not all-inclusive. The policy provides a complete list of benefits, limitations and exclusions. QuietCare® is an individual tax-qualified long-term care insurance policy that is medically underwritten. This material is produced for the marketing and solicitation of insurance. You may be contacted by a financial representative.

Northwestern Long Term Care Insurance Company is a subsidiary of The Northwestern Mutual Life Insurance Company, Milwaukee, WI

www.nmfn.com

29-5132-04 LTC (0709)

Policy forms RS.LTC.(0708) and RS.LTC.ML.(0708). Form RS.LTC.ML.(0708) is only available in New Jersey, New York, Ohio and Pennsylvania.



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