

SERFF Tracking Number: LCNC-125971043 State: Arkansas  
Filing Company: The Lincoln National Life Insurance Company State Tracking Number: 41260  
Company Tracking Number: LCN0808-2019579  
TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other  
Product Name: The cost of long-term care survey - September 2008  
Project Name/Number: The cost of long-term care survey - September 2008/LCN0808-2019579

## Filing at a Glance

Company: The Lincoln National Life Insurance Company

Product Name: The cost of long-term care survey - September 2008 SERFF Tr Num: LCNC-125971043 State: ArkansasLH

TOI: L08 Life - Other

SERFF Status: Closed

State Tr Num: 41260

Sub-TOI: L08.000 Life - Other

Co Tr Num: LCN0808-2019579

State Status: Filed-Closed

Filing Type: Form

Co Status:

Reviewer(s): Linda Bird

Author: Anabela Tavares

Disposition Date: 01/08/2009

Date Submitted: 12/31/2008

Disposition Status: Filed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: The cost of long-term care survey - September 2008

Status of Filing in Domicile: Authorized

Project Number: LCN0808-2019579

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 01/08/2009

State Status Changed: 01/08/2009

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

RE: Lincoln National Life Insurance Company

NAIC Number 65676 FEIN Number 35-0472300

Advertising Filing

Form(s):

SERFF Tracking Number: LNCN-125971043 State: Arkansas  
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LCN0808-2019579 – The cost of long-term care survey  
September 2008

Dear Sir or Madam:

Attached for your review and approval is the above-referenced advertising form.

This is a survey regarding the cost of long-term care.

If you need any additional information, please contact me toll-free at 1-800-238-6252, Extension 2307. Thank you for your attention to this matter.

Sincerely,

Anabela Tavares  
Product Compliance Coordinator  
Telephone: 860-466-2307  
Fax: 860-466-1348  
E-mail: anabela.tavares@lfg.com

## Company and Contact

### Filing Contact Information

Anabela Tavares, Compliance Coordinator      anabela.tavares@lfg.com  
350 Church Street      (860) 466-2307 [Phone]  
Hartford , CT 06103      (860) 466-1348[FAX]

### Filing Company Information

The Lincoln National Life Insurance Company	CoCode: 65676	State of Domicile: Indiana
350 Church Street - MPM1	Group Code: 20	Company Type: Life
Hartford, CT 06103-1106	Group Name:	State ID Number:

SERFF Tracking Number: LCNC-125971043 State: Arkansas  
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(860) 466-2899 ext. [Phone] FEIN Number: 35-0472300  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$25.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Lincoln National Life Insurance Company	\$25.00	12/31/2008	24783818

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Linda Bird	01/08/2009	01/08/2009

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## Disposition

Disposition Date: 01/08/2009

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice		No
<b>Supporting Document</b>	Application		No
<b>Form</b>	The cost of long-term care survey - September 2008		Yes

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## Form Schedule

### Lead Form Number:

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	LCN0808-2019579	Advertising	The cost of long-term care survey - September 2008	Initial		0	LCN0808-2019579.pdf

# The cost of long-term care survey

September 2008

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- 6 Results

## Introduction

There are an estimated 76.6 baby boomers approaching retirement. According to the U.S. Department of Health and Human Services, at least 70% of people over age 65 will require some long-term care services at some point in their lives.<sup>1</sup>

For many pre-retirees and retirees, reserving the funding needed for long-term care is an ongoing concern. Although significant portions of long-term care funding is provided by government sources such as Medicare and Medicaid, many affluent Americans may not qualify for these programs and are left with the burden of insuring against this risk by reserving funds themselves. According to the most recent data available, nearly 20% (or 18.8%) long-term care funding came from out-of-pocket spending.

### National spending for long-term care by payment source, 2005

	(\$ in billions)
Medicaid	\$101.1
Medicare	\$42.2
Out-of-pocket	\$37.4
Private health and long-term care insurance	\$7.2
Other private	\$5.6
Other public	\$5.3

Source: Komisar and Thompson. Health Policy Institute, Georgetown University. Long-Term Care Financing Project. February 2007.

Since many Americans need long-term care for a period of over one year, keeping up with cost increases presents an additional challenge: Over the course of the past three decades, inflation rates relating to long-term care costs ranged between 4% and 6% according to some estimates.<sup>2</sup>

<sup>1</sup> U.S. Department of Health & Human Services—National Clearinghouse for LTC Information, [www.longtermcare.gov](http://www.longtermcare.gov). March 26, 2008.

<sup>2</sup> LifePlans, Inc., adjustment to input price indexes published by the Health Care Financing Administration (2000) and based on DRI/McGraw Hill's quarterly publication *Health Care Cost Review*. Estimates for 2000–2005 based on Center for Medicare and Medicaid Services and Global Insight Inc, 2007.

In order to highlight the potential financial impact that long-term care funding can have on individual investors and the financial advisors who serve them, The *Lincoln Retirement*<sup>SM</sup> Institute partnered with LifePlans, Inc. to complete the "Cost of Long-Term Care Survey" in December 2007.

LifePlans, Inc., a Massachusetts-based long-term care administration and risk management firm, completed the "Cost of Long-Term Care Survey" via telephone interviews of licensed long-term care providers in the United States. As a result, long-term care cost averages were gathered for each US state, Washington, DC, and the following metropolitan areas:

- Atlanta, GA
- Boston, MA
- Chicago, IL
- Dallas, TX
- Detroit, MI
- Los Angeles, CA
- Miami, FL
- New York, NY
- Philadelphia, PA
- San Diego, CA
- San Francisco, CA
- Seattle, WA
- St. Louis, MO
- Tampa/  
St. Petersburg, FL

The "Cost of Long-Term Care Survey" results highlight the risk that long-term care poses on retirement savings and income, and serves as a reference guide for individual investors and financial advisors.

The *Lincoln Retirement*<sup>SM</sup> Institute, an organization within Lincoln Financial Group, was created to conduct research, organize the intellectual capital of the company, and work with external thinkers on retirement subjects that are relevant to the Baby Boomer generation. Additional survey findings and research may be found at [www.LincolnFinancial.com](http://www.LincolnFinancial.com).

### Executive summary

For the purposes of the “Cost of Long-Term Care Survey,” three major modes of long-term care were identified and measured:

- nursing home care
- assisted living facilities
- in-home care.

#### **Nursing homes: national average, \$199/day for a private room, \$178/day for a semiprivate room**

Nursing homes have been a mainstay of long-term care for decades, especially for individuals who cannot be cared for by a family member at home. They typically provide a full range of services, including medical care, meals, recreation, and physical therapy.

In most cases, residents remain in the nursing home for several months or years.

The “Cost of Long-Term Care Survey” revealed that the national average cost of nursing home care in a private room is \$199 per day. Looking at individual regions across the United States, the average daily costs for nursing home care ranged from \$282 in the Northeast to \$175 in the Midwest.

On a national level, semiprivate rooms, with more than one occupant, averaged \$178 per day.

#### **Assisted living facilities: national average, \$3,070/month**

Assisted living facilities are viewed as transitional housing, where residents are still capable of maintaining their independence, but need or prefer some sort of assistance. In some cases, they are part of a “continuing care community” that also includes adult independent living and full-service nursing home facilities. They may also be referred to as residential care facilities, board-and-care homes, or personal care homes.

Assisted living typically provides a private apartment with linen, some meals, and housekeeping services included in monthly rent. The resident may or may not cook meals, and communal dining may be provided for one or more meals per day.

Staff members may assist residents with some activities of daily living, such as dressing and bathing. Visits to local shopping and entertainment venues may also be provided for residents who are able to participate.

The base rate national monthly average for assisted living facilities is \$3,070. Average monthly costs for assisted living facilities ranged from \$3,765 in the Northeast to \$2,796 in the Midwest.

**In-home care: national average, \$21/hour for home health aides, \$19/hour for homemaker/companion care**

As expected, care at home is the preferred form of long-term care for many Americans. According to a recent *Lincoln Retirement*<sup>SM</sup> Institute survey<sup>1</sup>, a combined 84% of affluent individuals indicated that they prefer long-term care in the home, either from professionals, or a combination of professionals and family. Home care may be provided on a part-time or full-time basis.

Nurses or other specially trained healthcare professionals typically work under the supervision of a physician, and provide skilled care, such as wound cleaning, dispensing of medications, and physical therapy. Skilled care may be provided on a temporary basis (after a fall or heart attack, for instance), or on a more permanent basis, such as caring for someone with dementia as well as chronic medical conditions.

Other home care services may be provided by paraprofessionals, who assist with activities of daily living, such as bathing, dressing, or continence issues. They may also be called home health aides, home care aides, or personal care aides.

Home companions (also called homemaker/companions) typically care for those who are otherwise physically healthy, but who need assistance with shopping, light housekeeping, meal preparation, and other supervision. Because they do not provide personal care, they have less training.

The Cost of Long-Term Care Survey revealed that the national average cost was \$21/hour for home health aide and \$19/hour for homemaker/companion care. The cost for home health aid ranged from \$23/hour in the Western United States to \$20/hour in the South.

<sup>1</sup> Long-Term Care: Consumer and Advisor Attitudes, September, 2008. Available at [www.LincolnFinancial.com](http://www.LincolnFinancial.com)

## Methodology

LifePlans, Inc. conducted telephone interviews with randomly selected licensed nursing homes and home care agencies in all 50 states and the District of Columbia in December 2007 on behalf of the *Lincoln Retirement*<sup>SM</sup> Institute. Naturally, these results represent only those agencies sampled.

In total, more than 3,500 nursing home care facilities, assisted living facilities, and home care agencies were included in the survey.

## Geographic definitions

For the purposes of the analysis, the states were divided into four regions based on 2000 United States Census definitions, the most recent available.

### Northeast

Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont

### South

Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia

### Midwest

Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin

### West

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming

## In addition to the 50 states and Washington, DC, several U.S. metropolitan areas were selected:

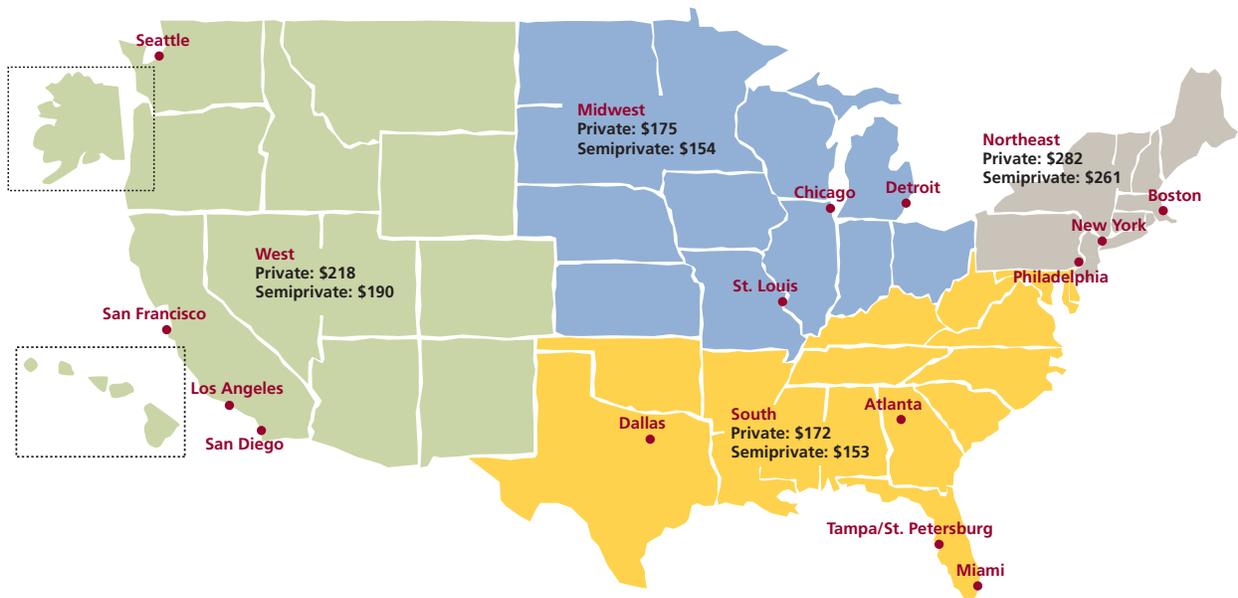
- Atlanta, GA
- Boston, MA
- Chicago, IL
- Dallas, TX
- Detroit, MI
- Los Angeles, CA
- Miami, FL
- New York, NY
- Philadelphia, PA
- San Diego, CA
- San Francisco, CA
- Seattle, WA
- St. Louis, MO
- Tampa/  
St. Petersburg, FL

## Pricing

Long-term care rates were recorded and are presented in their original unit as typically charged by nursing homes, assisted living facilities, and home care agencies. All rates quoted are base rates offered by institutions, and do not include supplemental services or features offered by the facilities.

## Results

Nursing home average rates by select metropolitan areas (N = 1,555 private, 1,700 semiprivate)

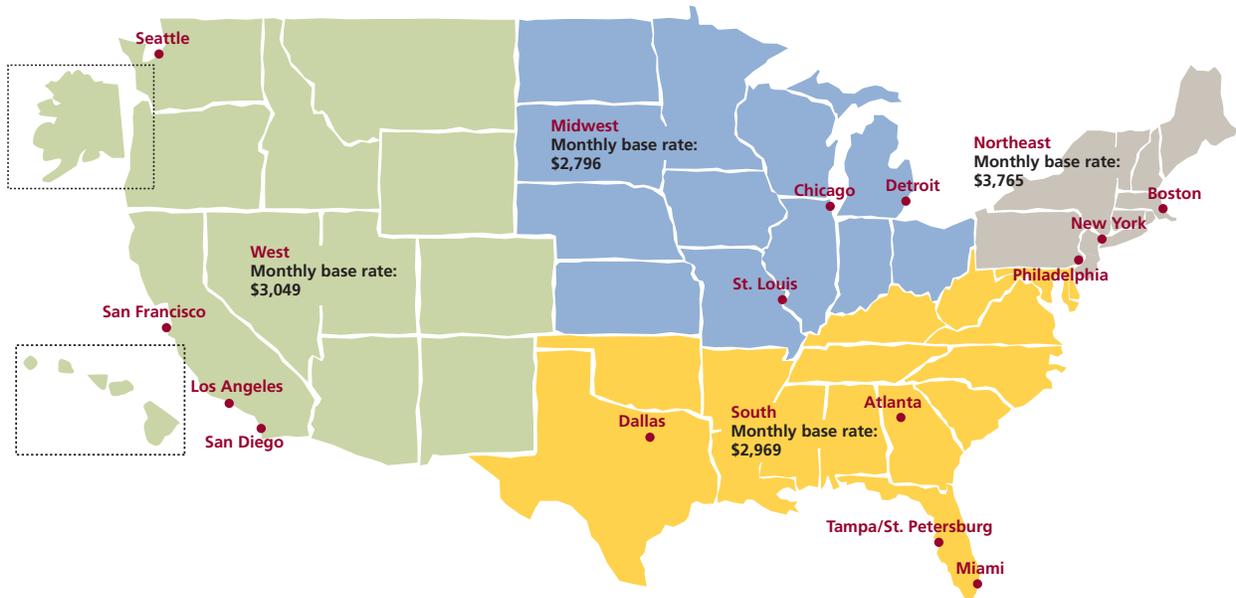


Region	Private room daily rate	Semiprivate room daily rate
<b>Midwest</b>	<b>\$175</b>	<b>\$154</b>
Chicago	\$157	\$145
Detroit	\$167	\$164
St. Louis	\$150	\$142
<b>Northeast</b>	<b>\$282</b>	<b>\$261</b>
Boston	\$289	\$266
New York	\$396	\$380
Philadelphia	\$231	\$227
<b>South</b>	<b>\$172</b>	<b>\$153</b>
Atlanta	\$178	\$162
Dallas	\$175	\$129
Miami	\$219	\$180
Tampa/St. Petersburg	\$237	\$198
<b>West</b>	<b>\$218</b>	<b>\$190</b>
Los Angeles	\$215	\$169
San Diego	\$229	\$181
San Francisco	\$371	\$224
Seattle	\$260	\$226
<b>National average</b>	<b>\$199</b>	<b>\$178</b>

**Nursing home average rates by state** (N = 1,555 private, 1,700 semiprivate)

State	Private room daily rate	Semiprivate room daily rate	State	Private room daily rate	Semiprivate room daily rate
AK	\$506	\$499	NC	\$179	\$164
AL	\$153	\$146	ND	\$198	\$197
AR	\$137	\$123	NE	\$157	\$143
AZ	\$209	\$171	NH	\$270	\$247
CA	\$227	\$181	NJ	\$273	\$249
CO	\$202	\$173	NM	\$164	\$155
CT	\$330	\$304	NV	\$191	\$173
DC	\$294	\$252	NY	\$303	\$286
DE	\$239	\$216	OH	\$180	\$168
FL	\$208	\$184	OK	\$146	\$121
GA	\$158	\$146	OR	\$204	\$188
HI	\$313	\$255	PA	\$244	\$238
IA	\$145	\$134	RI	\$236	\$213
ID	\$221	\$201	SC	\$160	\$148
IL	\$161	\$143	SD	\$185	\$155
IN	\$187	\$154	TN	\$161	\$149
KS	\$144	\$129	TX	\$150	\$112
KY	\$186	\$158	UT	\$177	\$149
LA	\$125	\$114	VA	\$191	\$169
MA	\$302	\$278	VT	\$235	\$214
MD	\$218	\$203	WA	\$212	\$193
ME	\$255	\$230	WI	\$215	\$184
MI	\$197	\$180	WV	\$187	\$184
MN	\$222	\$180	WY	\$204	\$165
MO	\$131	\$122			
MS	\$189	\$168			
MT	\$170	\$157			
			<b>National average</b>	<b>\$199</b>	<b>\$178</b>

Assisted living facility average rates by select metropolitan areas (N = 918)

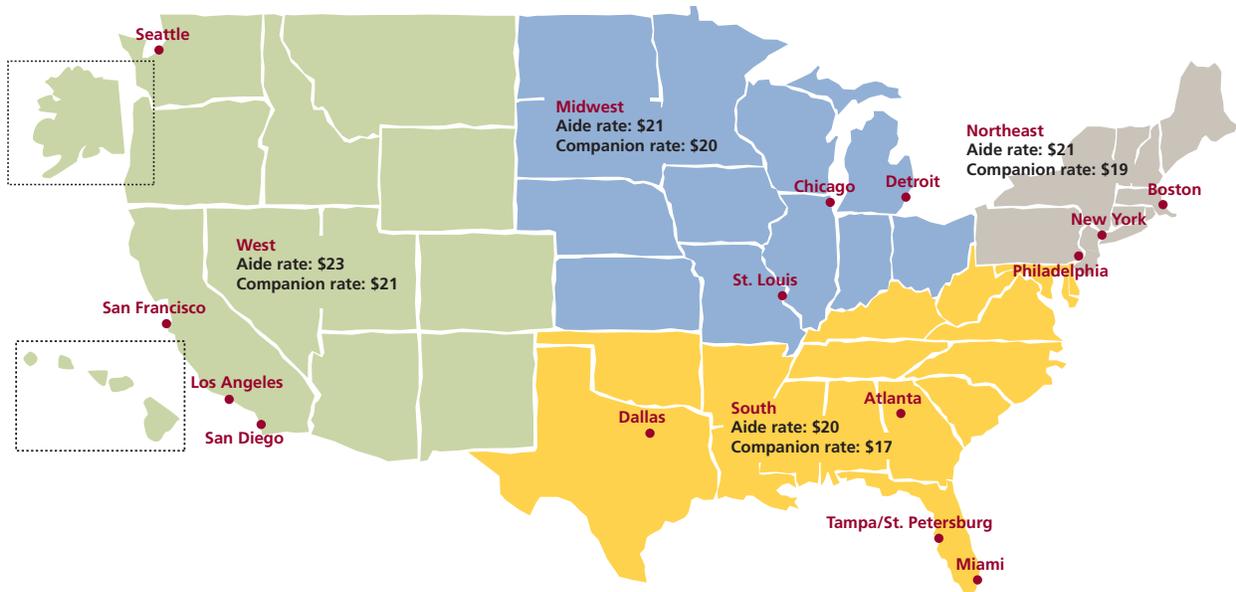


Region	Monthly base rate
<b>Midwest</b>	<b>\$2,796</b>
Chicago	\$3,105
Detroit	\$3,213
St. Louis	\$3,242
<b>Northeast</b>	<b>\$3,765</b>
Boston	\$4,528
New York	\$3,383
Philadelphia	\$3,419
<b>South</b>	<b>\$2,969</b>
Atlanta	\$2,809
Dallas	\$2,861
Miami	\$2,718
Tampa/St. Petersburg	\$2,513
<b>West</b>	<b>\$3,049</b>
Los Angeles	\$2,381
San Diego	\$2,811
San Francisco	\$3,305
Seattle	\$2,834
<b>National average</b>	<b>\$3,070</b>

**Assisted living facility average rates by state (N = 918)**

<b>State</b>	<b>Monthly base rate</b>	<b>State</b>	<b>Monthly base rate</b>
AK	\$4,151	NC	\$3,013
AL	\$2,521	ND	\$2,054
AR	\$2,251	NE	\$2,476
AZ	\$2,800	NH	\$4,080
CA	\$3,715	NJ	\$3,887
CO	\$3,052	NM	\$2,599
CT	\$4,180	NV	\$2,667
DC	\$5,497	NY	\$3,207
DE	\$4,316	OH	\$2,779
FL	\$2,841	OK	\$2,219
GA	\$2,872	OR	\$2,537
HI	\$3,666	PA	\$2,927
IA	\$2,751	RI	\$3,657
ID	\$2,686	SC	\$2,602
IL	\$3,080	SD	\$2,469
IN	\$2,418	TN	\$2,527
KS	\$3,149	TX	\$2,692
KY	Data unavailable	UT	\$2,631
LA	\$2,497	VA	\$3,214
MA	\$3,998	VT	\$4,738
MD	\$3,735	WA	\$2,922
ME	\$3,625	WI	\$2,600
MI	\$3,086	WV	\$3,140
MN	\$3,033	WY	\$2,627
MO	\$2,843	<b>National average</b>	<b>\$3,070</b>
MS	\$2,171		
MT	\$2,594		

**Home care average rates by select metropolitan areas** (N = 881 home health aide, 762 homemaker/companion)



Region	Home health aide hourly rate	Homemaker/companion hourly rate
<b>Midwest</b>	<b>\$21</b>	<b>\$20</b>
Chicago	\$19	\$16
Detroit	\$18	\$17
St. Louis	\$17	\$17
<b>Northeast</b>	<b>\$21</b>	<b>\$19</b>
Boston	\$23	\$22
New York	\$16	\$16
Philadelphia	\$17	\$16
<b>South</b>	<b>\$20</b>	<b>\$17</b>
Atlanta	\$17	\$16
Dallas	\$19	\$17
Miami	\$15	\$15
Tampa/St. Petersburg	\$19	\$18
<b>West</b>	<b>\$23</b>	<b>\$21</b>
Los Angeles	\$19	\$17
San Diego	\$20	\$20
San Francisco	\$23	\$23
Seattle	\$23	\$22
<b>National average</b>	<b>\$21</b>	<b>\$19</b>

**Home care average rates by state** (*N* = 881 home health aide, 762 homemaker/companion)

State	Home health aide hourly rate	Homemaker/companion hourly rate	State	Home health aide hourly rate	Homemaker/companion hourly rate
AK	\$26	\$22	NC	\$18	\$17
AL	\$37	\$17	ND	\$23	\$20
AR	\$17	\$15	NE	\$20	\$18
AZ	\$20	\$20	NH	\$24	\$23
CA	\$21	\$20	NJ	\$17	\$17
CO	\$28	\$21	NM	\$19	\$17
CT	\$21	\$18	NV	\$21	\$20
DC	\$20	\$20	NY	\$19	\$18
DE	\$25	\$23	OH	\$18	\$17
FL	\$19	\$17	OK	\$20	\$16
GA	\$16	\$16	OR	\$20	\$19
HI	\$24	\$19	PA	\$20	\$18
IA	\$27	\$24	RI	\$23	\$19
ID	\$18	\$16	SC	\$16	\$15
IL	\$21	\$25	SD	\$23	\$18
IN	\$22	\$18	TN	\$23	\$19
KS	\$18	\$18	TX	\$17	\$16
KY	\$20	\$19	UT	\$28	\$27
LA	\$17	\$15	VA	\$18	\$16
MA	\$23	\$22	VT	\$20	\$20
MD	\$19	\$18	WA	\$28	\$28
ME	\$20	\$18	WI	\$19	\$18
MI	\$19	\$18	WV	\$15	\$15
MN	\$27	\$22	WY	\$21	\$21
MO	\$17	\$18			
MS	\$22	\$16			
MT	\$26	\$18			
			<b>National average</b>	<b>\$21</b>	<b>\$19</b>

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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LCN0808-2019579  
LFG-GEN-08-0765  
LFG-PR-WPR007\_Z01  
PRNT 12/08 Z01  
Order code: LFG-PR-WPR007

**About The *Lincoln Retirement*<sup>SM</sup> Institute**

The *Lincoln Retirement*<sup>SM</sup> Institute, an organization within Lincoln Financial Group, was created to conduct research, organize the intellectual capital of the company and work with external thinkers on retirement subjects that are relevant to the baby boomer generation. Please visit [www.LincolnFinancial.com](http://www.LincolnFinancial.com) for additional survey findings, research, and other pertinent information.

**About Lincoln Financial Group**

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Two separate companies issue Lincoln life insurance policies. New York policies are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. For all other states, policies are issued by The Lincoln National Life Insurance Company, Ft. Wayne, Indiana. These companies are separately responsible for satisfying their own financial and contractual obligations.

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Hello future.<sup>®</sup>

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