

SERFF Tracking Number: SFCM-125995327 State: Arkansas  
Filing Company: State Farm Mutual Automobile Insurance Company State Tracking Number: 41368  
Company Tracking Number: HLTH-07-012, ET AL  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.004 Partnership  
Product Name: Partnership Long Term Care  
Project Name/Number: Partnership Materials/HLTH-07-012, ET AL

## Filing at a Glance

Company: State Farm Mutual Automobile Insurance Company

Product Name: Partnership Long Term Care SERFF Tr Num: SFCM-125995327 State: ArkansasLH  
TOI: LTC03I Individual Long Term Care SERFF Status: Closed State Tr Num: 41368  
Sub-TOI: LTC03I.004 Partnership Co Tr Num: HLTH-07-012, ET AL State Status: Closed  
Filing Type: Advertisement Co Status: Reviewer(s): Marie Bennett  
Author: Tammie Mills Disposition Date: 02/19/2009  
Date Submitted: 01/19/2009 Disposition Status: Filed  
Implementation Date Requested: Implementation Date:

State Filing Description:

## General Information

Project Name: Partnership Materials Status of Filing in Domicile: Pending  
Project Number: HLTH-07-012, ET AL Date Approved in Domicile:  
Requested Filing Mode: Review & Approval 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: 02/19/2009 Explanation for Other Group Market Type:  
State Status Changed: 02/19/2009  
Deemer Date: Corresponding Filing Tracking Number:

Filing Description:

Enclosed for filing on behalf of the State Farm Mutual Automobile Insurance Company of Bloomington, Illinois are the referenced advertising forms. These forms are being filed for use in your state and contain information regarding Long-Term Care. These pieces will be used in the State Farm Agent's Office.

Please note that we have filed the internet glossary/rate quote pages under SERFF #: SFCM-125995437.

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## Company and Contact

### Filing Contact Information

Tammie Mills, Analyst tammie.mills.csag@statefarm.com  
 One State Farm Plaza (309) 994-0300 [Phone]  
 Bloomington, IL 61710-0001

### Filing Company Information

State Farm Mutual Automobile Insurance CoCode: 25178 State of Domicile: Illinois  
 Company  
 One State Farm Plaza Group Code: 176 Company Type:  
 Laura Walters / Marketing D-3  
 Bloomington, IL 61710 Group Name: State ID Number:  
 (309) 763-8104 ext. [Phone] FEIN Number: 37-0533100  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$175.00  
 Retaliatory? No  
 Fee Explanation: \$25.00 per form and we have 7 forms  
  
 \$25 x 7= \$175.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Mutual Automobile Insurance Company	\$175.00	01/19/2009	25109038

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	02/19/2009	02/19/2009

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Marie Bennett	02/02/2009	02/02/2009	Tammie Mills	02/13/2009	02/13/2009

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## **Disposition**

Disposition Date: 02/19/2009

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	AR Cover Letter-Advertising Materials		Yes
Supporting Document	AR NAIC Transmittal-Advertising materials		Yes
Form	Long Term Care Pivot Sheet		Yes
Form	Buying Long Term Care for Your Parents		Yes
Form (revised)	Long Term Care Sales Booklet		Yes
Form	Long Term Care Sales Booklet		Yes
Form	Service Education Sheet		Yes
Form	Long Term Care Partnership		Yes
Form	LTCI Partnership Letter		Yes
Form	LTCI Partnership Systems Letter		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 02/02/2009  
Submitted Date 02/02/2009  
Respond By Date 03/03/2009

Dear Tammie Mills,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Long Term Care Sales Booklet (Form)

Comment: Paragraph entitled Guaranteed Renewable must be expanded to include language that the company reserves the right to increase premiums on a class basis. See Rule 11, Guideline 9.

Please feel free to contact me if you have questions.

Sincerely,

Marie Bennett

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 02/13/2009  
Submitted Date 02/13/2009

Dear Marie Bennett,

### Comments:

At this time we are addressing your concerns in the objection letter dated 2/2/2009.

### Response 1

Comments: We have modified the the paragraph in regards to the Guaranteed Renewable issue on page 16 of this Marketing piece.

### Related Objection 1

Applies To:

- Long Term Care Sales Booklet (Form)

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**Comment:**

Paragraph entitled Guaranteed Renewable must be expanded to include language that the company reserves the right to increase premiums on a class basis. See Rule 11, Guideline 9.

**Changed Items:**

No Supporting Documents changed.

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Long Term Care Sales Booklet	HLTH-07-016		Advertising	Initial			SMH-60012_AR_(Low_Quality).pdf

**Previous Version**

Long Term Care Sales Booklet	HLTH-07-016		Advertising	Initial			HLTH-07-016.pdf
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No Rate/Rule Schedule items changed.

If you have any questions or concerns, please let me know.

Tammie Mills  
 State Farm Mutual Automobile Insurance Company  
 1-309-994-0300.

Sincerely,  
 Tammie Mills

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## Form Schedule

### Lead Form Number:

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	HLTH-07-012	Advertising	Long Term Care Pivot Sheet	Initial			HLTH-07-012.pdf
	HLTH-07-014	Advertising	Buying Long Term Care for Your Parents	Initial			HLTH-07-014.pdf
	HLTH-07-016	Advertising	Long Term Care Sales Booklet	Initial			SMH-60012_AR_(Low_Quality).pdf
	HLTH-07-017	Advertising	Service Education Sheet	Initial			HLTH-07-017.pdf
	HLTH-07-018	Advertising	Long Term Care Partnership	Initial			HLTH-07-018.pdf
	HLTH-07-038	Advertising	LTCI Partnership Letter	Initial			HLTH-07-038.pdf
	HLTH-07-039	Advertising	LTCI Partnership Systems Letter	Initial			HLTH-07-039 2nd.pdf

# It pays to plan for the future



With more of us enjoying longer lives these days, wouldn't it be nice if you could:

- Avoid tapping into your retirement savings to pay for the care you may need if your health changes?
- Make your own decisions about where you will live and who will care for you?
- Pay for hundreds of thousands of dollars worth of potential long-term care costs—for the price of a few nice dinners every month?
- Reduce the risk of becoming a financial burden to your family?

Here's a smart way to plan ahead: purchase a State Farm® Long-Term Care Insurance policy. Then you'll have the funds to help pay for the care you need, when you're unable to care for yourself.

## *Did you know?*

Long-term care is not just for the elderly. Of those receiving long-term care today, about 45 percent are under the age of 65!<sup>1</sup> That's why it's important to consider long-term care insurance well before you retire.

LONG-TERM CARE

LIKE A GOOD NEIGHBOR



STATE FARM IS THERE.®

## Help that lasts a lifetime, from a Good Neighbor

A State Farm Long-Term Care insurance policy will help pay the bills for your ongoing care once you are certified as being chronically ill<sup>2</sup> and your Elimination Period has been satisfied. Chronically ill means you're unable to perform any two of these activities (called Activities of Daily Living) without substantial assistance:

- Eating (feeding yourself – does not include meal preparation)
- Toileting (using the bathroom)
- Dressing
- Bathing
- Continence (controlling bladder and bowel function, or the ability to perform hygienic tasks if control is lacking)
- Transferring (moving into or out of a bed, a chair, or a wheelchair)

You can also qualify to start receiving policy benefits if your health and safety are threatened and you need substantial supervision because of a cognitive impairment (such as Alzheimer's disease).

You can use the policy benefits to help pay for:

- Home health care
- Community-based care (including Adult Day Care)
- Assisted living facility care
- Nursing home care

There's never been a better time than the present to purchase a long-term care insurance policy, because the sooner you enroll, the lower your premiums.

## The long and short of long-term care costs

The good news is, people are living longer than ever.<sup>3</sup> But the older we get, the more help we need. In fact, 60 percent of all people over the age of 65 will need some type of long-term care during their lifetime.<sup>4</sup> How much can that care cost? Let's look at an example:

Melinda was healthy and active until she suffered a stroke. To continue living in her home, Melinda needed part-time care five days a week, at \$19 an hour. Five years later, she had another stroke that completely paralyzed her right side. Due to her increased need for care, she moved to a nursing home at \$205 a day, where she lived for the remaining three years of her life.

## WHAT WAS THE COST OF MELINDA'S CARE?

Home health care:	\$152 per day x 5 days a week x 52 weeks for 5 years	\$39,520 x 5
Home health care total		\$197,600
Nursing home care:	\$205 per day x 365 days for 3 years	\$74,825 x 3
Nursing home care total		\$224,475
<b>Total cost of Melinda's long-term care</b>		<b>\$422,075</b>

Believe it or not, these costs are expected to increase. By the year 2030, the average cost of one year of nursing home care is expected to be about \$234,855.<sup>5</sup>

## Paying for long-term care: Myths and realities

MYTHS	REALITIES
My family will take care of me.	Think of the time, effort, and money involved in caring for an adult. Is this what you want for your family? Is this what your family wants?
Medicare will pay for it.	Medicare only pays for a limited amount of skilled care to help you recover from an acute condition as long as you are improving. It doesn't pay for custodial (ongoing) care, to help you live the best life you can.
My Medicare Supplement Plan and Long-Term Disability policy will cover long-term care costs.	Actually, they won't. These policies are not designed to cover expenses for ongoing long-term care services.
I'll pay for my long-term care costs out of my own savings.	Home health aides average \$19 an hour, <sup>6</sup> and nursing home costs average \$205 a day. <sup>7</sup> How long could you pay for these expenses before you spent all of your savings?
I'll spend all of my money until I qualify for Medicaid.	When Medicaid pays your long-term care costs, the government makes many of the decisions regarding your care. That means they only pay for nursing home care, not the home health care you might prefer. Be sure to check with facilities in your area because not all nursing homes accept Medicaid enrollees.

## State Farm is here for your health

For more than 85 years, our policyholders have counted on us for their insurance needs. State Farm is the right choice for your Long-Term Care insurance, too. Here's why:

- Our Care Management Services will work with you, your family, and your doctor to help develop and monitor your plan of care.
- If you and your spouse both apply for State Farm Long-Term Care Insurance policies, you may qualify for a 30 percent Spousal Discount on your premiums.
- Getting in touch is always easy. Walk in, Mail in, Call in, Click in<sup>®</sup>. Contact your State Farm agent today or visit [statefarm.com](http://statefarm.com)<sup>®</sup>.

Long-term care coverage is every bit as essential as having basic health care insurance. And it doesn't have to be difficult to find the right coverage for you. Talk to your agent, and see how State Farm can help you plan for the future.

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Note: This is a marketing tool intended for use in the sale of insurance, and potential contact may be made by a State Farm agent. This brochure provides a brief, general description of the coverage provided by this policy. It is not a contract and certain exclusions and limitations apply. A complete statement of the coverage provided is found only in the policy itself. Policy availability, coverages, exclusions, and limitations may vary in some states. For exact terms and conditions see: Long Term Care Insurance policy form 97059, 97060, 97061.

Contact your agent for additional details and cost.

<sup>1</sup>[guidetolongtermcare.com](http://guidetolongtermcare.com), 2007.

<sup>2</sup>In order to qualify for policy benefits the insured must meet the definition of chronically ill set forth in the applicable policy form.

<sup>3</sup>Health, United States, 2006. U.S. Department of Health and Human Services (November 2006).

<sup>4</sup>Centers for Medicare and Medicare Services Acting Administrator Leslie V. Norwalk, Choices for Independence National Leadership Summit (Dec. 5, 2006).

<sup>5</sup>Centers for Medicare and Medicaid Services, 2005.

<sup>6</sup>The MetLife Market Survey of Nursing Home & Home Care Costs (September 2006).

<sup>7</sup>Genworth Financial 2007 Cost of Care Survey (March 2007).

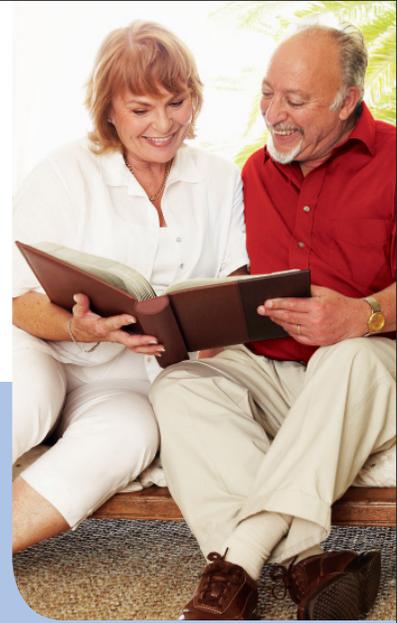
State Farm Mutual Automobile Insurance Company  
Bloomington, IL

**statefarm.com**<sup>®</sup>

HLTH-07-012

07-2008  
Printed in U.S.A.  
SMH-60009

# Give back the care they gave you



As your parents age, they may need a little help.  
So how can you ...

- Find professional caregivers for their special needs?
- Enjoy quality time with them, instead of spending time taking care of them?
- Pay for their care, without exhausting your savings or theirs?
- Take care of your parents and your children at the same time?

A State Farm® Long-Term Care Insurance policy may be the answer. Instead of taking on the entire responsibility of caring for your parents—with the physical, emotional, and financial burden it involves—you can use the policy benefits to help cover their care.

## Paying for long-term care: Myths and realities

MYTHS	REALITIES
My parents' Medicare Plan, Medicare Supplement policy, and Long-Term Disability policy will cover long-term care costs.	Actually, they won't. These policies are not designed to cover expenses for ongoing long-term care services.
I'll take care of them myself.	Think of the time, effort, and money involved in caring for an adult. Are you and your parents prepared for how this might change your relationship?

LONG-TERM CARE  
FOR YOUR PARENTS

MYTHS	REALITIES
My parents will pay for their long-term care costs out of their own pocket.	Home health aides average \$19 an hour; <sup>2</sup> and nursing home costs average \$74,806 a year. <sup>3</sup> How long could your parents pay for these expenses before they spent all of their savings?
Once my parents spend all their money, Medicaid will pay for their care.	When Medicaid pays their long-term care costs, the government makes many of the decisions regarding their care. That means Medicaid only pays for nursing home care. Be sure to check with facilities in your area because some nursing homes don't accept Medicaid enrollees at all.

## State Farm is here for your health

For more than 85 years, our policyholders have counted on us for their insurance needs. State Farm is the right choice for Long-Term Care Insurance, too. Here's why:

- Our Care Management Services will work with you, your family, and your doctor to help develop and monitor your plan of care.
- If both your parents apply for State Farm Long-Term Care Insurance policies, they both may qualify for a 30 percent Spousal Discount on their premiums.

As we get older, long-term care coverage is every bit as essential as basic health care insurance. And finding the right coverage for your parents doesn't have to be difficult. Talk to your agent, and see how State Farm can make it simple.

---

Note: This is a marketing tool intended for use in the sale of insurance, and potential contact may be made by a State Farm agent. This brochure provides a brief, general description of the coverage provided by this policy. It is not a contract and certain exclusions and limitations apply. A complete statement of the coverage provided is found only in the policy itself. Policy availability, coverages, exclusions, and limitations may vary in some states. For exact terms and conditions see: Long Term Care Insurance policy form 97059, 97060, 97061.

Contact your agent for additional details and cost.

<sup>1</sup>Melnyk, Andrew. Long-Term Care Insurance or Medicaid: Who Will Pay for Baby Boomers' Long-Term Care? American Council of Life Insurers Research Findings 2005.

<sup>2</sup>The MetLife Market Survey of Nursing Home & Home Care Costs (September 2006).

<sup>3</sup>Genworth Financial 2007 Cost of Care Survey (March 2007).

State Farm Mutual Automobile Insurance Company  
Bloomington, IL

[statefarm.com](http://statefarm.com)<sup>®</sup>

HLTH-07-014

07-2008  
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SMH-60010

# LONG TERM CARE INSURANCE

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LIKE A GOOD NEIGHBOR



STATE FARM IS THERE.®

*Providing Insurance and Financial Services*



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# A short look at Long-Term Care

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## Introduction

Retirement? Maybe a better word is “independence.” The freedom to do more of the things you want to do, like catching up on hobbies, spending more time with family, or working just because you want to.

Sound good? Then whether you’re looking forward to retirement or you’re already retired, you’ll want to plan ahead so you can maintain your independence. That means protecting the assets you’ve worked so hard to save. Your State Farm agent can help, with a financial strategy that’s right for you. One important step: A State Farm Long-Term Care Insurance policy, to pay for the care you need if your health changes and you can no longer care for yourself.

## What is long-term care?

As we get older, we may need a little more help. Sometimes we reach the point when we’re unable to care for ourselves—because of an illness, injury, gradual frailty, or a cognitive impairment such as Alzheimer’s Disease. We may need help with daily activities, or more specialized nursing care. That’s where long-term care insurance comes in. For the price of a few nice dinners every month, you could receive thousands of dollars in benefits to help pay for the care you may need in the future. Doesn’t that sound better than tapping into your retirement savings to pay for your care?

## Five questions to ask about long-term care

### 1. *“How could the costs of long-term care affect your finances?”*

With long-term care expenditures projected to nearly quadruple by the year 2040,<sup>1</sup> these expenses could quickly eat into your retirement savings and your family’s assets, dramatically affecting your standard of living.

### 2. *“How will you afford your choice of care?”*

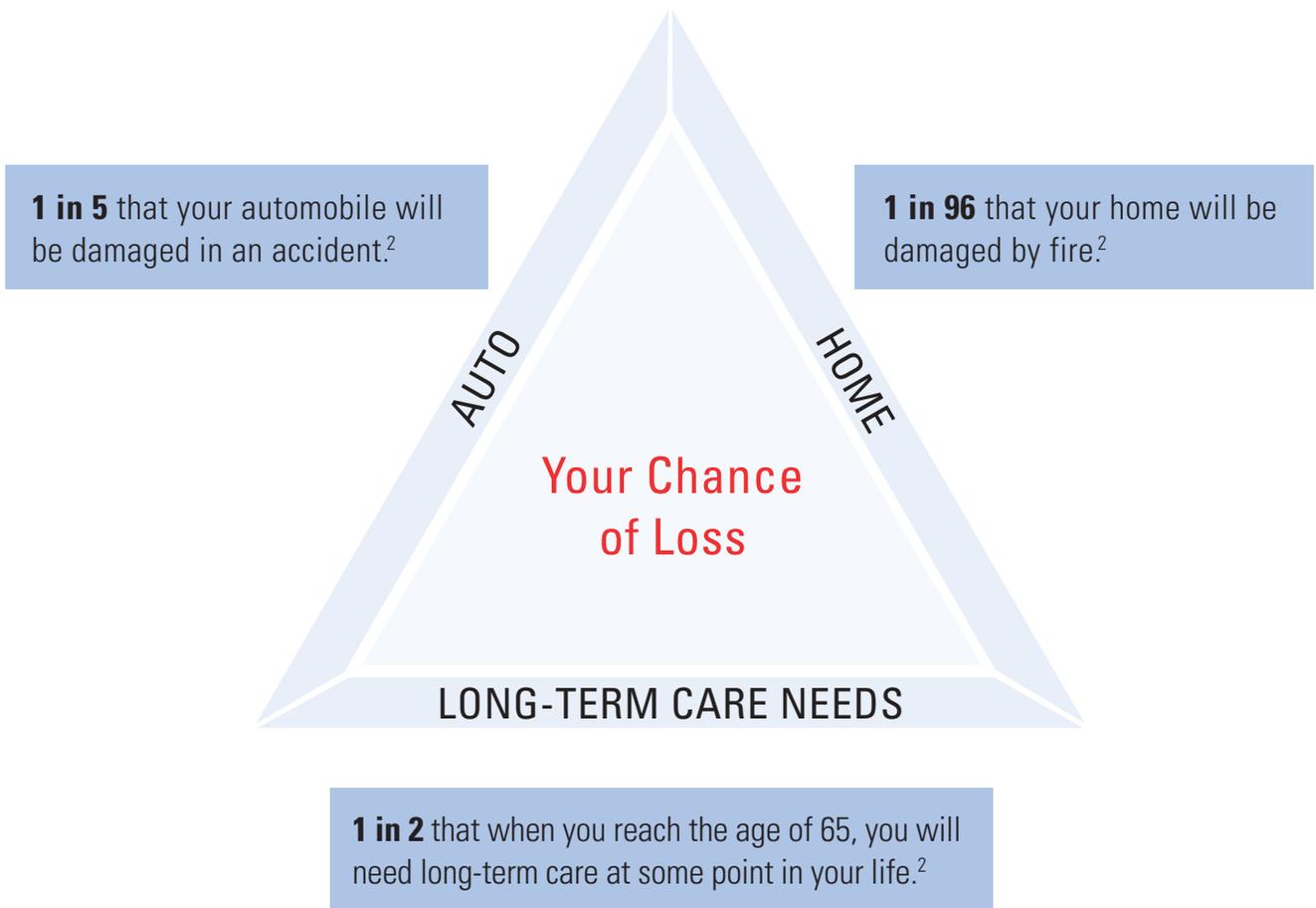
- **Pay for the cost yourself** – Will you have enough to cover your long-term care expenses while maintaining your standard of living?
- **Depend on Medicare/Medicaid** – Medicare pays a limited amount in certain circumstances, and Medicaid is designed only for people at or below the poverty level.
- **Other medical insurance** – Most medical insurance plans generally don’t cover long-term care expenses.
- **Depend on family** – This type of care is physically and emotionally demanding. Is this what you want for your family? Is this what your family wants?
- **Long-term care insurance** – A State Farm Long-Term Care Insurance policy will help you pay your eligible long-term care expenses, while helping protect your family and personal assets.

### 3. *“What are your options for long-term care services?”*

- **The comfort of your own home** – Nursing aide or other caregiver assistance is provided as needed—possibly up to 24 hours per day.
- **Adult day care** – A community program designed to provide services or supervision during the day.
- **An assisted living facility** – A facility allowing more independent living but with access to professional care around the clock.
- **A nursing home** – A facility capable of providing skilled and custodial services for those who require higher levels of care and attention.

#### 4. *“What are your chances of needing long-term care?”*

- Your chances of loss – Most of us wouldn't dream of living without auto or home insurance. But the odds are that you're more likely to need long-term care than get into a car accident or experience a fire in your home.



#### 5. *“Why choose the State Farm Long-Term Care Insurance policy?”*

State Farm has consistently received high ratings for financial strength and claims paying ability from independent rating agencies. You can feel confident that State Farm will be there for you.

# The long and short of long-term care costs

**If you ever need long-term care, it may cost you a pretty penny. Here are some recent figures:**

- Agency-provided homemaker/companion services average \$17/hour nationally.<sup>3</sup>
- Visits from home health aides average \$19/hour nationally.<sup>3</sup>
- A stay in a nursing home costs \$205 a day on average.<sup>4</sup>

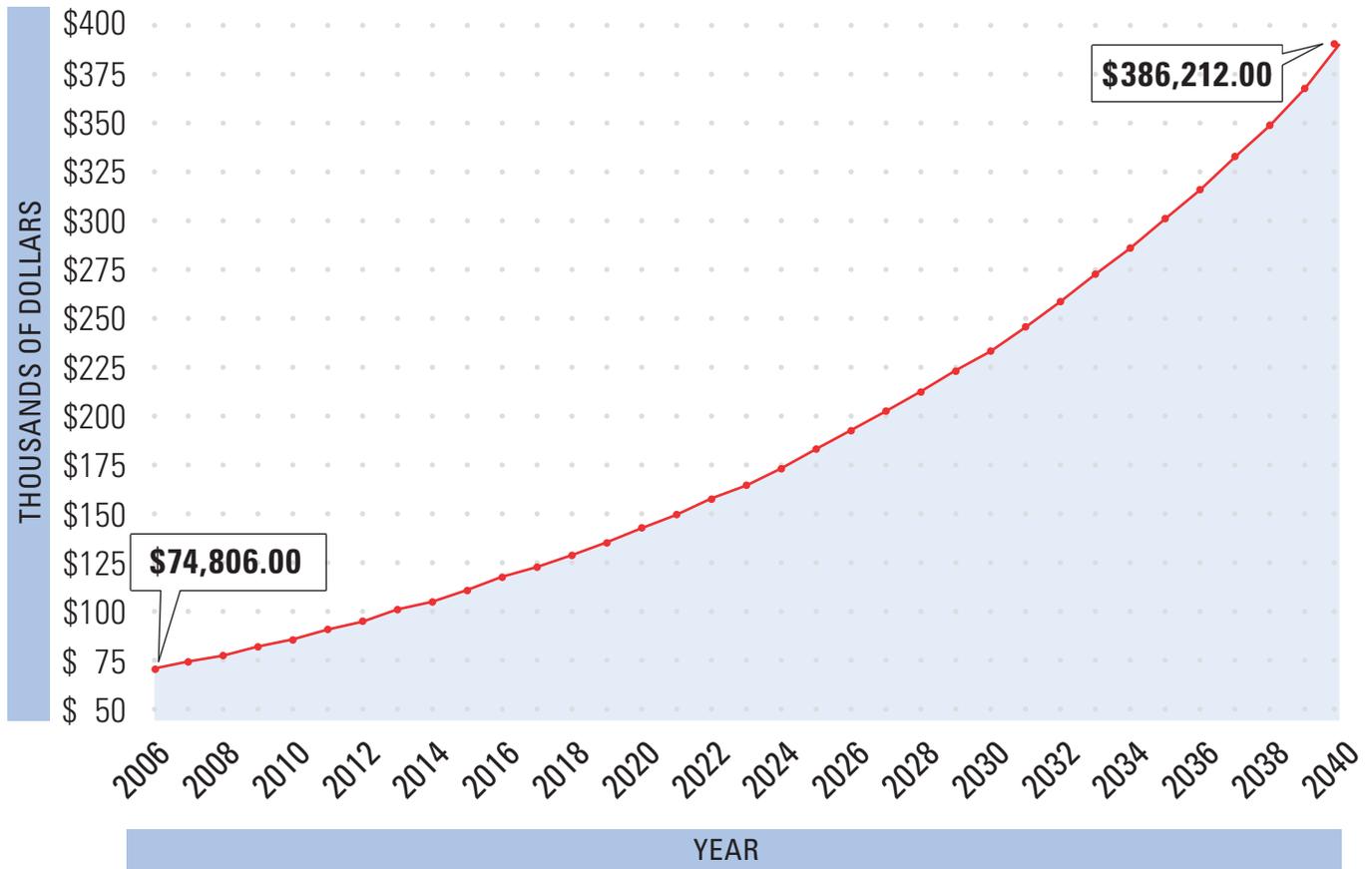
**So how much could your care cost? Let's look at an example:**

Melinda was healthy and active until she suffered a stroke. To continue living in her home, Melinda needed part-time care five days a week, at \$19 an hour. Five years later, she had another stroke that completely paralyzed her right side. Due to her increased need for care, she moved to a nursing home at \$205 a day, where she lived for the remaining three years of her life.

WHAT WAS THE COST OF MELINDA'S CARE?		
<b>Home health care:</b>	\$152 per day x 5 days a week x 52 weeks for 5 years	\$39,520 X 5
Home health care total		\$197,600
<b>Nursing home care:</b>	\$205 per day x 365 days for 3 years	\$74,825 x 3
Nursing home care total		\$224,475
<b>Total cost of Melinda's long-term care</b>		<b>\$422,075</b>

Believe it or not, these costs are on the rise. In fact, the total increase in nursing home expenditures is expected to be around 5.1 percent a year.<sup>5</sup> Here's what that increase means in potential costs to you:

### Rising cost of care in a nursing facility



You need to know the facts about these dramatically rising costs, and how they could impact your finances. There are plenty of misconceptions out there about the cost of long-term care, the kind of financial assistance available, and the conditions under which you can receive it.

## Paying for long-term care: Myths and realities

MYTHS	REALITIES
My family will take care of me.	Think of the time, effort, and money involved in caring for an adult. Is this what you want for your family? Is this what your family wants?
Medicare will pay for it.	Medicare only pays for a limited amount of skilled care to help you recover from an acute condition as long as you are improving. It has limited benefits for custodial care for short periods of time.
My Medicare Supplement Plan or Long-Term Disability Plan will cover long-term care costs.	Actually, they won't. These policies are not designed to cover expenses for ongoing long-term care services.
I'll pay for my long-term care costs out of my own savings.	Home health aides average \$19 an hour, <sup>3</sup> and nursing home costs average \$205 a day. <sup>4</sup> How long could you pay for these expenses before your assets were depleted?
I'll spend all of my money until I qualify for Medicaid.	When Medicaid pays your long-term care costs, the government makes many of the decisions regarding your care. That means they only pay for nursing home care, not the home health care you might prefer. Be sure to check with facilities in your area because not all nursing homes accept Medicaid enrollees.



## It pays to think about the future

The sooner you prepare for the future with a Long-Term Care insurance policy, the better off you'll be. Here's why:

- **Lower premium costs** – Your policy premiums depend on your age when you purchase the policy. So the sooner you buy, the lower your premium.
- **Spousal discount** – If you and your spouse both apply for a State Farm Long-Term Care insurance policy, you could receive a 30 percent discount on your premiums—even if only one of you is insurable.
- **Eligibility** – It's best to buy the policy while you're eligible. If you wait, you'll only be able to purchase the policy at a much higher premium or your health may change so that you'll be ineligible.
- **Increased care costs** – Total long-term care costs may nearly quadruple by 2040.<sup>1</sup> A Long-Term Care insurance policy will help ensure you have the means to cover these costs, especially if you add inflation protection coverage.

# Coverage that fits your life

Everyone is different, with different needs. That's why State Farm allows you to choose the amount of coverage that's right for you.

- **Maximum Daily Benefit** – This is the most your policy will pay for each day of qualified long-term care services you receive. You choose the amount, from \$100 to \$500 per day.
- **Benefit Factor** – You decide how long your policy will pay for your long-term care.
  - 2 years      - 3 years
  - 5 years      - 10 years
  - Lifetime benefits (Unlimited number of years)
- **Maximum Lifetime Benefit** – This is the total benefit amount you will have available to pay for your care while the policy is in force. To figure this amount, multiply the amounts you chose for your Maximum Daily Benefit and the Benefit Factor.

For example: Maximum Daily Benefit of \$250 x Benefit Factor of 1,095 days (3 years) = \$273,750.

When deciding how long you wish to receive benefits, remember that the policy may pay you for a longer or shorter timespan than the period you choose. That's because your policy will continue paying benefits until your Maximum Lifetime Benefit is exhausted, which may be longer than your chosen Benefit Factor. Let's see how this works:

How long could your Maximum Lifetime Benefit of \$273,750 last if the cost of care was \$200 per day?

Three years of care:	$\$200 \text{ a day} \times 365 \text{ days} \times 3 \text{ years}$	\$219,000
Amount paid by policy:	$\$200 \text{ a day} \times 365 \text{ days} \times 3 \text{ years}$	\$219,000
Maximum Lifetime Benefit amount remaining after three years:	$\$273,750 - \$219,000$	\$54,750
Additional days of care paid by policy after three years:	$\$54,750 \div \$200 \text{ a day}$	273 days
<b>Total time of care paid for by policy</b>		<b>3 years, 273 days</b>

In this example, since the cost of your care was \$200 (\$50 less than your chosen Maximum Daily Benefit of \$250) your policy continued to pay benefits longer than your Benefit Factor of three years.

- **Elimination Period** – An Elimination Period is similar to the deductible on other insurance policies. It is the number of days that you must receive care and pay an eligible caregiver for your care before you begin receiving your policy benefits. You decide how long the Elimination Period will be—30 days, 90 days, or 180 days.\* Remember, you pay all long-term care costs out-of-pocket during this period. The longer the Elimination Period you can afford to choose (not only now, but also in the future), the lower your monthly premiums will be.

Let's look at some examples:

30-DAY ELIMINATION PERIOD	
Days 1-30	You continue to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
Days 31-90	You continue to pay premiums, and the policy provides coverage.
<b>Days 91 and after**</b>	You no longer have to pay premiums. The policy provides coverage until your Maximum Lifetime Benefit is exhausted.

90-DAY ELIMINATION PERIOD	
Days 1-90	You continue to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
<b>Days 91 and after**</b>	You no longer have to pay premiums. The policy provides coverage until your Maximum Lifetime Benefit is exhausted.

180-DAY ELIMINATION PERIOD*	
Days 1-90	You continue to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
Days 91-180	You no longer have to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
<b>Days 181 and after**</b>	You no longer have to pay premiums. The policy provides coverage until your Maximum Lifetime Benefit is exhausted.

\*The availability of the 180-day elimination period varies by state.

\*\*This is considered waiver of premium. For more information, please see the waiver of premium section on page 17.



## When you can receive policy benefits

First, a licensed healthcare practitioner (such as a physician, registered nurse, or licensed social worker) must certify that you are chronically ill.<sup>6</sup> That means that you are unable to perform any two of the following tasks (known as Activities of Daily Living) for at least 90 days, without substantial assistance from another person:

- Bathing
- Toileting (using the bathroom)
- Dressing
- Contingence (controlling bladder and bowel function, or the ability to perform hygienic tasks when control is lacking)
- Transferring (moving into or out of a bed, a chair, or a wheelchair)
- Eating (feeding yourself – does not include meal preparation)

You could also be certified as chronically ill if your health and safety are threatened and you require substantial supervision because of a severe cognitive impairment (such as Alzheimer's disease).

After you have been certified as chronically ill, you must also satisfy your Elimination Period before receiving benefits.

# Coverage for the care you need

A long term care insurance policy covers a wide variety of care options.

## **Custodial care**

This is basic supportive assistance, typically for help with the performance of Activities of Daily Living, or supervision for someone with a severe cognitive impairment.

## **Skilled care**

Skilled care includes medical services such as physical, occupational, and speech therapies, as well as some nursing services. This assistance may be provided in your home or in an eligible facility over an extended period of time. Skilled services covered by Medicare are not eligible for benefits.

## **Home and community-based care**

This is care you receive in your home or at an adult day care. For each calendar week you receive qualified home and community-based care, your policy will pay the lesser of:

- Seven times your chosen Maximum Daily Benefit (per calendar week)
- The total costs for services provided by:
  - **Home health care agencies** – Covered long-term care services include occupational, physical, respiratory, or speech therapy or nursing care provided by registered, licensed practical, or vocational nurses. Covered services also include qualified services from a medical social worker, home health aide, homemaker, or other similar services.
  - **Adult day care** – The policy covers care you receive at an adult day care facility while your usual caregiver is at work.

Thanks to these additional benefits, your policy could help you stay at home longer:

- **Home Modification Benefit** – Your policy will pay up to 50 times your Maximum Daily Benefit for qualified services to help you avoid moving to a facility. Covered services include widening doorways; building ramps; restructuring bathroom facilities to accommodate wheelchairs; or purchasing, renting, or leasing durable medical equipment for use in your home.
- **Alternate Plan of Care** – Let's say you need the level of care that is provided in a long-term care facility (accessibility to medical assistance 24 hours per day), but you would rather pursue an alternate plan of care in your home. With approval from you, your doctor, and State Farm, efforts will be made to create a unique plan of care to fit your specific needs.
- **Caregiver training** – The policy will cover the costs of training a family member or friend to give you the care you need. Charges for an informal caregiver's services are not covered/ payable under the policy.

- **Medical Help System** – With a Medical Help System, you can call an ambulance to your home with the touch of a button. For a maximum of 12 months during your lifetime, your policy will pay up to 25 percent of your chosen Maximum Daily Benefit to help with the monthly cost of renting or leasing a Medical Help System that is installed in your home while your policy is in force.
- **Respite care** – Allows you to continue to receive care while your usual caregiver takes time away. Your policy will cover the cost of an eligible caregiver up to your chosen Maximum Daily Benefit, for up to 30 days per calendar year.

### Facility-based care

If you should require a higher level of care, your policy will cover the cost of care (up to your Maximum Daily Benefit) at these qualified facilities:

- **Alternate care facility** – At an Alternate Care Facility (also known as an assisted living facility), you can receive professional care around the clock without being confined to a nursing home. For qualified Alternate Care Facilities, your policy pays 100 percent of the daily cost, up to your elected Maximum Daily Benefit.
- **Long-term care facility** – The policy covers 100 percent of the daily cost of the care you receive at a qualified nursing home, up to your elected Maximum Daily Benefit.
- **Bed reservation** – If you remain Chronically ill and are temporarily away from a facility, we will continue to pay up to the Maximum Daily Benefit to reserve your bed, for up to 30 days per calendar year.

## More features for more coverage

These features are also included with your policy:

- **Care Management Services** – During a claim, care management professionals are available to work with you, your family, and your doctor to help develop and monitor your plan of care. This service is available at no additional cost, and you are not obligated to use the care management professionals.
- **Guaranteed Renewable** – Your policy will continue to be renewed as long as you pay the premiums on time. Your rates can NOT be increased due to your increasing age or declining health, but your rates may go up based on the experience of all policyholders with a policy similar to yours.
- **30-Day Review Period** – You may return your State Farm Long-Term Care insurance policy for a complete refund within 30 days of receiving it, should you decide that it doesn't fit your needs for any reason.

- **Unintentional Lapse Notification** – If your policy payments are not received on time, we will notify both you and anyone you have named in advance that your policy may lapse.
- **Reinstatement for Cognitive Impairment or Functional Incapacity** – Suppose your policy lapses. Within six months, we will reinstate it if you ask for reinstatement on the basis that you suffered from cognitive impairment or functional incapacity when coverage lapsed. You must pay all past-due premiums.
- **Waiver of Premium** – Your premium will be waived after your policy has covered 90 days of qualified long-term care, as long as the days of care are not separated by more than 15 consecutive days. These 90 days include your Elimination Period. Benefits paid under the Medical Help and Caregiver Training benefits do not apply toward Waiver of Premium eligibility.
- **Restoration of Benefits** – If you were once chronically ill and have not received or required covered long-term care services for 180 consecutive days, then your Maximum Lifetime Benefit (if not already exhausted) will be fully restored. This benefit does not apply if you've chosen the Lifetime Benefits factor, since those benefits are never-ending during your lifetime. The Home Modification benefit is not subject to restoration.
- **Tax Qualified** – Your policy is tax qualified, which means a portion of your premiums qualifies as a medical expense for federal income tax purposes if you itemize deductions.

As you can see, this policy comes with a wide variety of benefits. But there are more ways you can tailor your coverage to fit your needs.

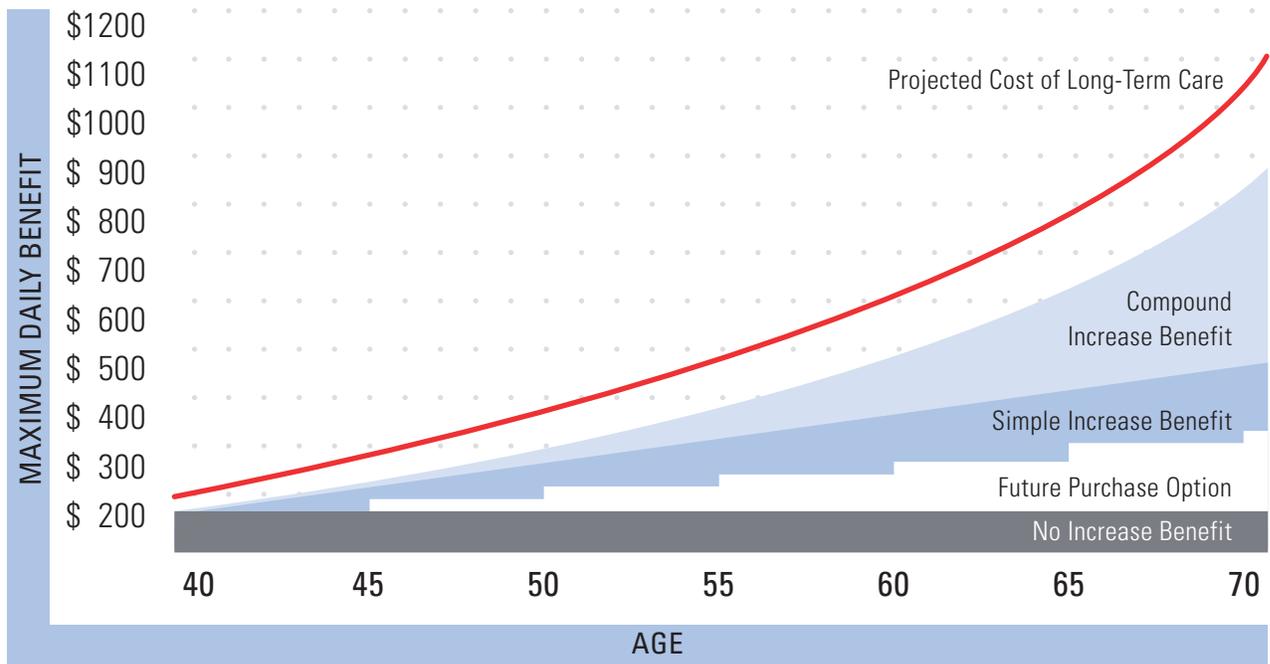
## Inflation Protection

Help maintain or even build the value of your policy with any of these inflation protection options?

- **Future Purchase Option** – You will be given the opportunity to increase your Maximum Daily Benefit on the anniversary of your policy's effective date following your 45th, 50th, 55th, 60th, and 65th birthdays. This benefit is only available if an Automatic Increase Benefit Rider is not selected.
- **Compound Automatic Increase Option** – Each year, your selected Maximum Daily Benefit increases by 5 percent over the previous year's amount, and the Maximum Lifetime Benefit is increased by 5 percent of the Remaining Maximum Lifetime Benefit.
- **Simple Automatic Increase Option** – Each year, your selected Maximum Daily Benefit increases by 5 percent of its original amount and the Remaining Maximum Lifetime Benefit increases proportionately.

## The Effects of Automatic Increase Options

Starting with \$200 Maximum Daily Benefit



Maximum Lifetime Benefits based on 5-year benefit factor with \$200 Maximum Daily Benefit assuming 5 percent interest and no claim payments in 30 years. Cost of long-term estimates from Centers for Medicare & Medicaid Services.

### ■ Compound Automatic Increase

\$864—Maximum Daily Benefit  
 \$315,360—Maximum Annual Benefit  
 \$1,576,800—Maximum Lifetime Benefit

### □ Future Purchase Option

\$25 increase every 5 years if you exercise this option at each offering

### ■ Simple Automatic Increase

\$500—Maximum Daily Benefit  
 \$182,500—Maximum Annual Benefit  
 \$912,500—Maximum Lifetime Benefit

### ■ No Increase Benefit

\$200—Maximum Daily Benefit  
 \$73,000—Maximum Annual Benefit  
 \$365,000—Maximum Lifetime Benefit

• **Nonforfeiture Benefit/Shortened Benefit Rider** – This rider ensures that you will receive benefits equal to the total sum of premiums you have paid, even if you stop paying premiums and the policy is cancelled. These restrictions apply:

- The policy and riders must be in force for 3 years.
- The Maximum Daily Benefit amount will be the amount in effect on the first day following the end of the period covered by your last paid premium (the nonforfeiture date).
- The maximum amount we will pay for all covered care or services you receive after the nonforfeiture date is the greater of:
  - 100 percent of the sum of all premiums paid for this policy and riders.
  - 30 times the Maximum Daily Benefit in effect on the nonforfeiture date.



## State Farm is here for your health

For more than 85 years, our policyholders have counted on us for their insurance needs. State Farm is the right choice for your Long-Term Care insurance, too. Here's why:

- We have the financial strength to meet our obligations to policyholders.
- Our Care Management Services are available to work with you, your family, and your doctor to help develop and monitor your plan of care.
- If you and your spouse both apply for State Farm Long-Term Care Insurance policies, you may qualify for a 30 percent Spousal Discount on your premiums.
- Getting in touch is always easy. Walk in, Mail in, Call in, Click in<sup>®</sup>. Contact your State Farm agent today or visit [statefarm.com](https://statefarm.com)<sup>®</sup>.

Long-term care coverage is every bit as essential as having basic health care insurance. And it doesn't have to be difficult to find the right coverage for you. Talk to your agent, and see how State Farm can make it simple.

# NOTES

Note: This is a marketing tool intended for use in the sale of insurance, and potential contact may be made by a State Farm agent. This brochure provides a brief, general description of the coverage provided by this policy. It is not a contract and certain exclusions and limitations apply. A complete statement of the coverage provided is found only in the policy itself. Policy availability, coverages, exclusions and limitations may vary in some states. For exact terms and conditions see: Long Term Care Insurance policy form 97059, 97060, 97061.

Contact your agent for additional details and cost.

<sup>1</sup>Congressional Budget Office, Financing Long-Term Care for the Elderly (April 2004).

<sup>2</sup>2007 Field Guide, National Underwriter Company.

<sup>3</sup>The MetLife Market Survey of Nursing Home & Home Care Costs (September 2006).

<sup>4</sup>Based on rates for a private nursing home room. Genworth Financial 2007 Cost of Care Survey. Conducted by CareScout, an independent research firm (March 2007).

<sup>5</sup>Centers for Medicare and Medicaid Services, 2005.

<sup>6</sup>In order to qualify for policy benefits, the insured must meet the definition of chronically ill set forth in the applicable policy form.

<sup>7</sup>Inflation protection availability varies by policy type.

State Farm Mutual Automobile Insurance Company  
Bloomington, IL

[statefarm.com](http://statefarm.com)<sup>®</sup>

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# Long-Term Care Insurance

## What you should know about policy benefits

Should you ever need long-term care, we want to make it as easy as possible for you to receive benefits from your State Farm® Long-Term Care Insurance policy. Below is some important information about when you are eligible to collect and how to file your claim.

### “When will I be eligible to receive my policy benefits?”

First, a licensed health care practitioner (such as a physician, registered nurse, or licensed social worker) must certify that you are chronically ill.<sup>1</sup>

### “Chronically ill? What does that mean?”

It means that you are unable to perform any two of the following tasks (known as *Activities of Daily Living*) for at least 90 days without substantial assistance:

- Eating
- Bathing
- Toileting (using the bathroom)
- Dressing
- Continence (controlling bladder and bowel function, or the ability to perform hygienic tasks if control is lacking)
- Transferring (moving into or out of a bed, a chair, or a wheelchair)

You could also be certified as chronically ill if your health and safety are threatened and you need substantial supervision because of a severe cognitive impairment (such as Alzheimer’s disease).

After you have been certified as chronically ill, you must also satisfy your Elimination Period before receiving benefits.

### “What is an Elimination Period?”

An Elimination Period is similar to the deductible on other insurance policies. It is the number of days that you must receive care and pay an eligible caregiver for your care before you begin receiving your policy benefits.

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## **“How do I obtain claim forms?”**

If you believe that you will need long-term care services, you can contact your State Farm agent at any time. It is advised you make this contact as soon as possible to verify your chronically ill status and the eligibility of your caregiver. This will assure the days of service you receive may appropriately be applied toward your Elimination Period. A claim department representative will telephone you or anyone you name as your representative to learn more about your situation, answer questions, and provide you with the necessary forms. You or anyone you have named to act for you,<sup>2</sup> your caregiver, and your licensed health care practitioner (a physician, registered nurse, or licensed social worker) will all need to fill out and return these forms as soon as possible.

## **“What kind of information will State Farm need when I file my claim?”**

We may need your medical records from your health care providers, hospitals, or other health facilities. We may also ask to interview one or more of your health care providers to learn more about the state of your health. All this information will help us determine if you qualify to receive benefits, and whether the care you are receiving is covered by the policy. As your claim is processed, we will ask you to update us about your care. Care Management Services are available to help you with your claim.

## **“What are ‘Care Management Services’?”**

Figuring out your long-term care plan isn't always simple. Can you receive care at home or will you need to live in a facility? What kind of specialized care will you need? To help you find answers, State Farm has partnered with a network of nurses and social workers. They can work with you, your family and your doctor to help develop your plan of care and find the right health care resources. Care Management Services are available at no additional cost. You aren't obligated to use them in order to receive benefits.

## **“When will I begin receiving benefit payments?”**

After State Farm has determined that you are eligible and your Elimination Period has been satisfied, you may begin to receive benefits from your policy. Your benefits will be based on the amount you are charged for covered long-term care services up to the Maximum Daily Benefit you selected and the limits of the policy. We can pay you, or anyone you authorize to receive payment.

If you have any questions, contact your State Farm agent or visit [statefarm.com](http://statefarm.com)<sup>®</sup>.

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Note: This is a marketing tool intended for use in the sale of insurance, and potential contact may be made by a State Farm agent. This brochure provides a brief, general description of the coverage provided by this policy. It is not a contract and certain exclusions and limitations apply. A complete statement of the coverage provided is found only in the policy itself. Policy availability, coverages, exclusions, and limitations may vary in some states. For exact terms and conditions see: Long Term Care Insurance policy form 97059, 97060, 97061.

Contact your agent for additional details and cost.

<sup>1</sup>In order to qualify for policy benefits the insured must meet the definition of chronically ill set forth in the applicable policy form.

<sup>2</sup>If the person acting for the benefit recipient has Power of Attorney, the appropriate legal papers need to be included when the claim forms are returned.

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# Long-Term Care Insurance Partnership Program

## Why spend all your savings to pay for your care?

These days, people are living longer than ever. Of course, the older we get, the more care we will need—and the more likely it is that decisions will be made for us. Decisions about who will care for us and where we will live.

Fortunately, there's an alternative. With a State Farm Long-Term Care insurance policy, you can decide how you'll receive care, whether you want to live at home or the facility of your choice.

You can choose between a Non-Partnership policy, or a Partnership policy. Both have the same basic benefits, however only a Long-Term Care Partnership policy offers a special feature known as asset disregard! If your long-term care benefits are exhausted and you still need long term care, asset disregard allows you to protect a portion of your assets after you apply for Medicaid. Without this Partnership feature you may have to substantially exhaust your personal assets in order to qualify for Medicaid.

### Long-Term Care insurance basic facts

- Policy helps pay for your care at home or in a facility.
- You choose the total amount the policy will pay for your care.
- You choose an Elimination Period (the period during which you pay for your care before benefits begin) of 30, 90, or 180<sup>2</sup> days.
- With asset disregard, the amount of assets you can keep is equal to the amount of benefits you receive under your Long-Term Care Partnership policy. For example, if your policy pays you \$100,000 in benefits, you can apply for Medicaid and retain \$100,000 worth of assets over and above your state's Medicaid asset threshold (which is \$2,000 for a single person in most states).
- We will waive your premiums after you have received qualified care for 90 days, as long as care is not separated by more than 15 consecutive days.
- You may receive a 30 percent discount on your premiums if you and your spouse both apply for coverage.
- Your policy premiums depend on your age when you purchase the policy. So the sooner you buy, the lower your premium.

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## Long-Term Care insurance is long on benefits

The following features are included with your policy:

- **Care Management Services** – During a claim, care management professionals are available to work with you, your family, and your doctor to help develop and monitor your plan of care. This service is available at no additional cost, and you are not obligated to use the care management professionals.
- **Home Modification** – Pays up to 50 times your current Maximum Daily Benefit to modify your home so you can continue living there.
- **Medical Help System** – Coverage for a qualified communication system, in your home, used to summon medical help in the case of a medical emergency.
- **Caregiver Training** – Helps pay to train a family member or friend to care for you.
- **Respite Care** – Helps pay for care when it is necessary to temporarily relieve your usual caregiver.
- **Unintentional Lapse Protection** – If your policy payments are not received on time, we will notify both you and anyone you have named in advance that your policy may lapse.

## Skilled care vs. custodial care

Your State Farm Long-Term Care Insurance policy provides coverage for both skilled and custodial care. What's the difference?

- **Skilled care** – Skilled care includes medical services such as physical, occupational, and speech therapies, as well as some nursing services. This assistance may be provided in your home or in an eligible facility over an extended period of time. Skilled services covered by Medicare are not eligible for benefits.
- **Custodial care** – This is basic supportive assistance, typically for help with the performance of Activities of Daily Living or supervision for someone with a severe cognitive impairment.

## When will you be eligible to receive policy benefits?

First, a licensed health care practitioner must certify that you are chronically ill.<sup>3</sup> That means that you are unable to perform any two of the following tasks (known as Activities of Daily Living) for at least 90 days, without substantial assistance from another person:

- Eating (feeding yourself – does not include meal preparation)
- Bathing
- Toileting (using the bathroom)
- Dressing
- Continence (controlling bladder and bowel function, or the ability to perform hygienic tasks if control is lacking)
- Transferring (moving into or out of a bed, a chair, or a wheelchair)

You could also be certified as chronically ill if your health and safety are threatened and you need substantial supervision because of a severe cognitive impairment (such as Alzheimer's disease).

You must satisfy your Elimination Period before receiving benefits.

## Inflation Protection

Inflation protection helps your policy keep up with the rising costs of long-term care.

- **Compound Automatic Increase** – Each year, your Maximum Daily Benefit automatically increases by 5 percent over the previous year’s amount, and the Maximum Lifetime Benefit is increased by 5 percent of the remaining Maximum Lifetime Benefit.
- **Simple Automatic Increase** – Each year, your Maximum Daily Benefit automatically increases by 5 percent of its original amount and the remaining Maximum Lifetime Benefit increases proportionately.

If you select a **Partnership policy**, minimum levels of inflation protection will be included (unless you are age 76 or older). You can choose to add higher levels of inflation protection to your policy. Otherwise, the minimum level of protection (compound versus simple) depends on your age, as shown in the chart below.

Age 60 and under	Ages 61-75	Age 76 and over
Compound Automatic Increase	Simple Automatic Increase	Inflation protection is not required

If you select a **Non-Partnership policy**, inflation protection is limited or not available, depending on your age.

Age 60 and under	Ages 61-75	Age 76 and over
Choice between: <ul style="list-style-type: none"><li>• Simple Automatic Increase</li><li>• Future Purchase Option – this gives you the opportunity to increase your Maximum Daily Benefit after your 45th, 50th, 55th, 60th, and 65th birthdays. Additional inflation protection is not available.</li></ul>	The Future Purchase Option is built into your policy	The Non-Partnership policy is not available

## Customize your coverage

The following benefit is available as an optional rider (available at an additional cost).

- **Nonforfeiture Benefit Rider** – Ensures that you will receive benefits equal to the total sum of premiums you have paid, even if you stop paying premiums and the policy is cancelled.

# Now, let's design a plan for you

Select from the options below to customize your State Farm Long-Term Care insurance policy according to your needs.

## Partnership policy

## Non-Partnership

PLAN FEATURES	OPTIONS	CONSIDERATIONS
Maximum Daily Benefit	<input type="checkbox"/> \$100 <input type="checkbox"/> \$250 <input type="checkbox"/> \$400 <input type="checkbox"/> \$125 <input type="checkbox"/> \$275 <input type="checkbox"/> \$425 <input type="checkbox"/> \$150 <input type="checkbox"/> \$300 <input type="checkbox"/> \$450 <input type="checkbox"/> \$175 <input type="checkbox"/> \$325 <input type="checkbox"/> \$475 <input type="checkbox"/> \$200 <input type="checkbox"/> \$350 <input type="checkbox"/> \$500 <input type="checkbox"/> \$225 <input type="checkbox"/> \$375	What is the average cost of care in the area you expect to receive care?
Benefit Factor	<input type="checkbox"/> 2 years <input type="checkbox"/> 10 years <input type="checkbox"/> 3 years <input type="checkbox"/> Lifetime <input type="checkbox"/> 5 years	Maximum Daily Benefit x 365 days x Benefit Factor = Lifetime maximum dollar amount Example: \$175 x 365 days x 5 years = \$319,375 A Lifetime Benefit Factor has an unlimited lifetime dollar amount.
Elimination Period	<input type="checkbox"/> 30 days <input type="checkbox"/> 180 days <sup>2</sup> <input type="checkbox"/> 90 days	It is the number of days you receive qualified long-term care services <b>before</b> the policy begins to pay benefits. You will be responsible for paying long-term care services during this period.
Inflation Protection	<b>Partnership Policy</b> <input type="checkbox"/> Compound Increase (age 60 and under) <input type="checkbox"/> Simple Increase (ages 61-75) <input type="checkbox"/> None <b>Non-Partnership Policy</b> <input type="checkbox"/> Simple Increase (age 60 and under) <input type="checkbox"/> None	Inflation protection helps your policy benefits keep up with rising long-term care costs.
Non-Forfeiture Benefit/Shortened Benefit Rider*	<input type="checkbox"/> Yes <input type="checkbox"/> No	Provides a continuation of coverage if you stop paying premiums under certain circumstances.

\*This optional rider is available for an additional cost to enhance your policy benefits.

# NOTES

## State Farm is here for your health

For more than 85 years, our policyholders have counted on us for their insurance needs. State Farm is the right choice for your Long-Term Care insurance, too. Long-term care coverage is every bit as essential as having basic health care insurance. And it doesn't have to be difficult to find the right coverage for you. Talk to your agent, and see how State Farm can help you plan for the future.

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Note: This is a marketing tool intended for use in the sale of insurance, and potential contact may be made by a State Farm agent. This brochure provides a brief, general description of the coverage provided by this policy. It is not a contract and certain exclusions and limitations apply. A complete statement of the coverage provided is found only in the policy itself. Policy availability, coverages, exclusions, and limitations may vary in some states. For exact terms and conditions see: Long-Term Care Insurance policy forms 97060 and 97061.

Contact your agent for additional details and cost.

<sup>1</sup>You still need to satisfy other Medicaid eligibility requirements pertaining to your health status, income, home value, and other criteria, so even with a Partnership policy, eligibility for Medicaid is not automatic.

<sup>2</sup>The availability of the 180-day elimination period varies by state.

<sup>3</sup>In order to qualify for policy benefits the insured must meet the definition of chronically ill set forth in the applicable policy form.

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Bloomington, IL

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SMH-60014

**State Farm Agent**

123 Anywhere Street  
Anyplace, ST 12345  
(000) 123-6789 FAX: (000) 012-9012



Providing Insurance and  
Financial Services

Person1 & Person2 Sample  
5678 Anystreet St.  
City, ST 98765



Dear Person1 and Person2:

From unexpected celebrations to out-of-the-blue visits from childhood friends; life is full of exciting surprises, isn't it?

But what if one surprise you face is a permanent change in your health? What if you needed care you couldn't provide for yourself? Would you be prepared?

As your State Farm agent, I want to make sure that you are. That's why I want you to know that a State Farm Long Term Care Insurance Partnership policy is available in your state.

Like a basic Long Term Care Insurance policy, a Partnership policy helps pay for your long term care. However, it's different because of a special feature called "asset disregard". If you exhaust the benefits of your Long Term Care Insurance policy and still need long term care, asset disregard allows you to protect some of your assets after you apply to Medicaid for additional long term care services.\* This is a valuable feature, because without it you may have to substantially exhaust your personal assets in order to qualify for Medicaid.

I'd like to discuss how this program can help protect you from the financial uncertainty of changing health. Please contact my office at (000) 123-6789 so we can set up a time to meet.



Sincerely,  
*Your Good Neighbor*  
*State Farm Agent*

State Farm Agent, Agent  
agent@agentredirectaddress.com

\*Note: You still need to satisfy other Medicaid eligibility requirements pertaining to your health status. Income, home value and other criteria, so even with a Partnership policy, eligibility for Medicaid is not automatic.



July 31, 2008

John Doe  
1260 N Main  
Bloomington IL 61701

Re: H2234567 13  
Long-Term Care Insurance

Dear Mr. Doe:

You made a sound choice when you selected State Farm's Long-Term Care Insurance. You gave yourself future options for long-term care services and helped protect your assets. We are pleased to tell you about an opportunity to help you further protect your assets; assets you might have to otherwise spend to receive additional long-term care services after your policy benefits are exhausted.

State Farm is now offering a Long-Term Care Insurance Partnership Policy. A partnership policy helps pay for long-term care services just like your current policy does. In addition, a partnership policy protects assets you might have to spend in order to qualify for Medicaid\*.

Here's how it works. If you exhaust your Long-Term Care Insurance Partnership Policy benefits (or assets are reduced to a certain amount under a Lifetime benefit) your state will disregard part of your assets when deciding if you are eligible for Medicaid. For each dollar of benefits paid by the partnership policy, one dollar of your assets is protected. So if you use \$250,000 in partnership policy benefits, you could have assets up to \$250,000 and still receive Medicaid coverage. If eligible, Medicaid will pay for any future long-term care services.

The partnership policy offers coverages that are similar to your current policy, and in some cases provides additional benefits. Inflation protection is required depending on your age.

You may exchange your current State Farm Long-Term Care Insurance Policy for a new Long-Term Care Insurance Partnership policy. (Persons currently eligible for benefits under their policy, or who are subject to an elimination period on a claim, are not eligible for an exchange. This includes persons receiving home health care, attending Adult Day Care, or who are residents in Assisted Living or Long-Term Care Facilities.) Some exchanges may require a benefit adjustment and/or additional premium.

John Doe  
2234567  
July 31, 2008  
Page 2 of 2

Premiums will be based on your current age, but you may be eligible for a premium credit based on the number of years your current policy has been in force if you have been claim free. Depending on when you purchased your current policy, premiums for the partnership policy may be significantly higher than your current premium, even if premium credits do apply. A review of your medical history may be required.

Please contact your State Farm agent for more information and to see if a Long-Term Care Insurance Partnership Policy might be right for you.

Sincerely,

Health Insurance Division  
State Farm Mutual Automobile Insurance Company

cc: Greg Miner, 13-0000

\*Medicaid is a state administered program that pays for medical assistance for certain individuals and families with low incomes and resources. Each state sets its own guidelines regarding eligibility and services to be covered by Medicaid. State Farm has no input into the decision of eligibility of coverage for Medicaid.

HLTH-07-039



SERFF Tracking Number: SFCM-125995327 State: Arkansas  
Filing Company: State Farm Mutual Automobile Insurance State Tracking Number: 41368  
Company  
Company Tracking Number: HLTH-07-012, ET AL  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.004 Partnership  
Product Name: Partnership Long Term Care  
Project Name/Number: Partnership Materials/HLTH-07-012, ET AL

## Supporting Document Schedules

**Satisfied -Name:** AR Cover Letter-Advertising Materials **Review Status:** 01/19/2009

**Comments:**

**Attachment:**

AR Cover Letter-advertising forms.pdf

**Satisfied -Name:** AR NAIC Transmittal-Advertising materials **Review Status:** 01/19/2009

**Comments:**

**Attachment:**

AR NAIC Transmittal-advertising forms.pdf

**State Farm Mutual Automobile  
Insurance Company**

Home Office, Bloomington, Illinois 61710



January 19, 2009

Julie Benafield-Bowman  
Commissioner of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

Re: State Farm Mutual Automobile Insurance Company  
Individual Accident and Health  
NAIC #176-25178  
Long Term Care Advertising  
Partnership Materials

Forms: **HLTH-07-012 Long Term Care Pivot Sheet**  
**HLTH-07-014 Buying Long Term Care for Your Parents**  
**HLTH-07-016 Long Term Care Sales Booklet**  
**HLTH-07-017 Service Education Sheet**  
**HLTH-07-018 Long Term Care Partnership**  
**HLTH-07-038 LTCI Partnership Letter**  
**HLTH-07-039 LTCI Partnership Systems Letter**

Enclosed for filing on behalf of the State Farm Mutual Automobile Insurance Company of Bloomington, Illinois are the referenced advertising forms. These forms are being filed for use in your state and contain information regarding Long-Term Care. These pieces will be used in the State Farm Agent's Office.

Sincerely,

A handwritten signature in cursive script that reads "Mary F. Keim".

Mary F. Keim  
Manager Life/Health Contracts and Compliance  
(309) 766-8422  
FAX (309) 766-8483  
Email-mary.f.keim.a0eb@statefarm.com

**Life, Accident & Health, Annuity, Credit Transmittal Document (Revised 1/1/06)**

<b>1.</b>	<b>Prepared for the State of</b>	Arkansas				
<b>2.</b>	<b>Department Use Only</b>					
	<b>State Tracking ID</b>					
<b>3.</b>	<b>Insurer Name &amp; Address</b>	<b>Domicile</b>	<b>Insurer License Type</b>	<b>NAIC Group #</b>	<b>NAIC #</b>	<b>FEIN #</b>
	State Farm Mutual Automobile Insurance Company One State Farm Plaza Bloomington, IL 61710-0001	Illinois			176-25178	37-0533100
<b>4.</b>	<b>Contact Name &amp; Address</b>	<b>Telephone #</b>	<b>Fax #</b>	<b>E-mail Address</b>		
	Tammie Mills One State Farm Plaza/Marketing Compliance-B2 Bloomington, IL 61710-0001	309-994-0300	309-766-8483	tammie.mills.csag@statefarm.com		
<b>5.</b>	<b>Requested Filing Mode</b>	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____				
<b>6.</b>	<b>Company Tracking Number</b>					
<b>7.</b>	<input checked="" type="checkbox"/> <b>New Submission</b>	<input type="checkbox"/> <b>Resubmission</b>	Previous file # _____			
<b>8.</b>	<b>Market</b>	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Franchise <input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____				
<b>9.</b>	<b>Type of Insurance</b>	<b>Partnership Material for Long-Term Care</b>				
<b>10.</b>	<b>Product Coding Matrix Filing Code</b>					
<b>11.</b>	<b>Submitted Documents</b>	<input type="checkbox"/> <b>FORMS</b> <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input checked="" type="checkbox"/> X Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other  <b>Rates</b> <input type="checkbox"/> New Rate <input type="checkbox"/> Revised Rate  <input type="checkbox"/> <b>FILING OTHER THAN FORM OR RATE:</b> Please explain: _____  <b>SUPPORTING DOCUMENTATION</b> <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other _____				

12.	<b>Filing Submission Date</b>	January 19, 2009	
13.	<b>Filing Fee (If required)</b>	Amount	\$175.00
		Check Date	_____
		Retaliatory	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		Check Number	_____
14.	<b>Date of Domiciliary Approval</b>	pending	
15.	<b>Filing Description:</b>		
	<p>Enclosed for filing on behalf of the State Farm Mutual Automobile Insurance Company of Bloomington, Illinois are the referenced advertising forms. These forms are being filed for use in your state and contain information regarding Long-Term Care. These pieces will be uses in the State Farm Agent's Office.</p>		

16.	<b>Certification (If required)</b>		
<p><b>I HEREBY CERTIFY</b> that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of <u>Arkansas</u>.</p>			
Print Name		<u>Mary F. Keim</u>	Title <u>Assistant Secretary/Treasure</u>
Signature		<u>Mary F Keim</u>	Date: <u>1/19/2009</u>

<b>17.</b>	<b>Form Filing Attachment</b>		
<b>This filing transmittal is part of company tracking number</b>		<b>HLTH-07-012, et al</b>	
<b>This filing corresponds to rate filing company tracking number</b>			

	Document Name	Form Number		Replaced Form Number
	Description			Previous State Filing Number
01	Long Term Care Pivot Sheet	HLTH-07-012	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02	Buying Long Term Care for Your Parents	HLTH-07-014	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03	Long Term Care Sales Booklet	HLTH-07-016	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04	Service Education Sheet	HLTH-07-017	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05	Long Term Care Partnership	HLTH-07-018	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06	LTCI Partnership Letter	HLTH-07-038	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07	LTCI Partnership Systems Letter	HLTH-07-039	X Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1



# LONG TERM CARE INSURANCE

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LIKE A GOOD NEIGHBOR



STATE FARM IS THERE.®

*Providing Insurance and Financial Services*



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# A short look at Long-Term Care

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## Introduction

Retirement? Maybe a better word is “independence.” The freedom to do more of the things you want to do, like catching up on hobbies, spending more time with family, or working just because you want to.

Sound good? Then whether you’re looking forward to retirement or you’re already retired, you’ll want to plan ahead so you can maintain your independence. That means protecting the assets you’ve worked so hard to save. Your State Farm agent can help, with a financial strategy that’s right for you. One important step: A State Farm Long-Term Care Insurance policy, to pay for the care you need if your health changes and you can no longer care for yourself.

## What is long-term care?

As we get older, we may need a little more help. Sometimes we reach the point when we’re unable to care for ourselves—because of an illness, injury, gradual frailty, or a cognitive impairment such as Alzheimer’s Disease. We may need help with daily activities, or more specialized nursing care. That’s where long-term care insurance comes in. For the price of a few nice dinners every month, you could receive thousands of dollars in benefits to help pay for the care you may need in the future. Doesn’t that sound better than tapping into your retirement savings to pay for your care?

## Five questions to ask about long-term care

### 1. *How could the costs of long-term care affect your finances?*

With long-term care expenditures projected to nearly quadruple by the year 2040<sup>1</sup>, these expenses could quickly eat into your retirement savings and your family's assets, dramatically affecting your standard of living.

### 2. *How will you afford your choice of care?*

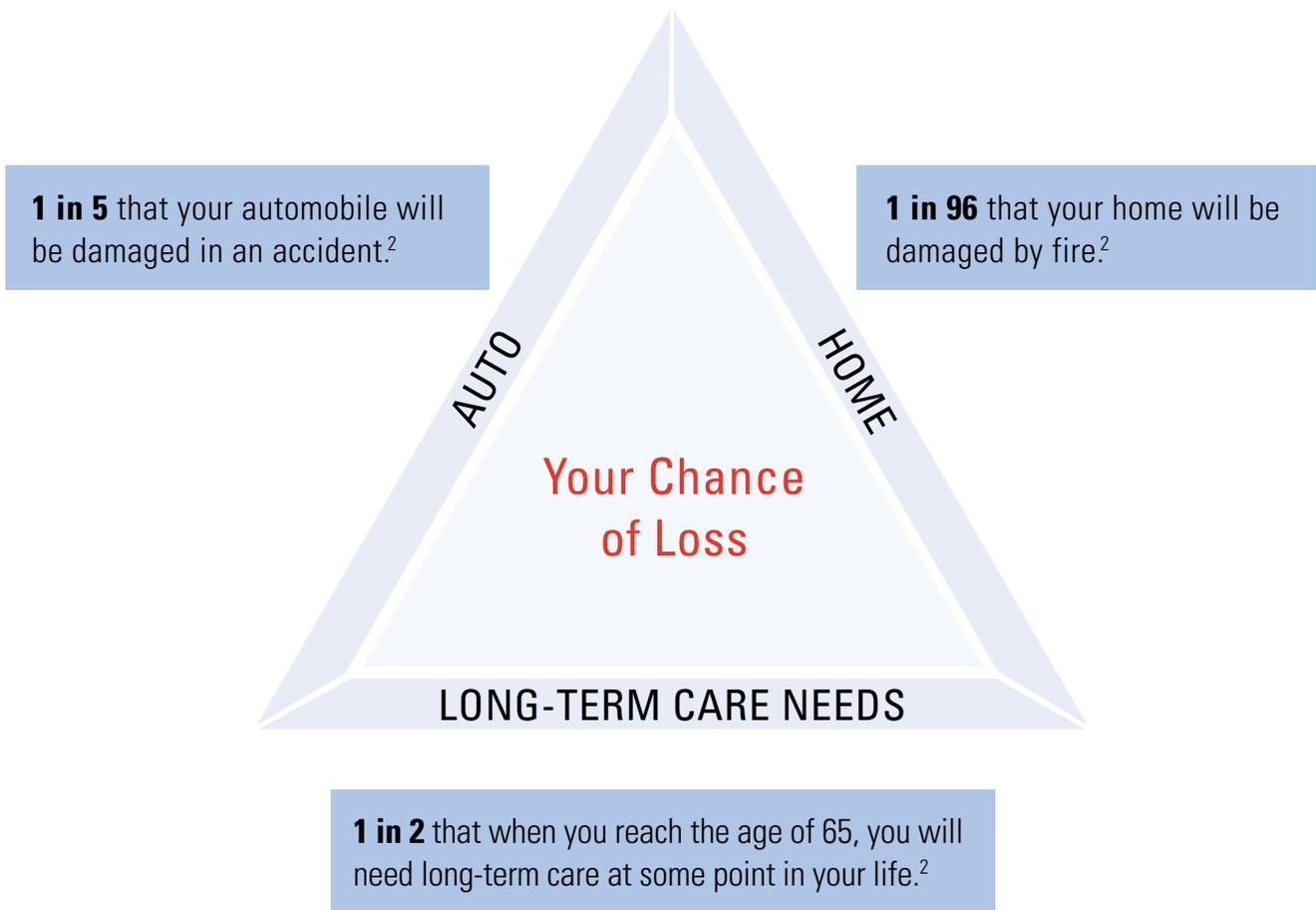
- **Pay for the cost yourself** – Will you have enough to cover your long-term care expenses while maintaining your standard of living?
- **Depend on Medicare/Medicaid** – Medicare pays a limited amount in certain circumstances, and Medicaid is designed only for people at or below the poverty level.
- **Other medical insurance** – Most medical insurance plans generally don't cover long-term care expenses.
- **Depend on family** – This type of care is physically and emotionally demanding. Is this what you want for your family? Is this what your family wants?
- **Long-term care insurance** – A State Farm Long-Term Care Insurance policy will help you pay your eligible long-term care expenses, while helping protect your family and personal assets.

### 3. *What are your options for long-term care services?*

- **The comfort of your own home** – Nursing aide or other caregiver assistance is provided as needed—possibly up to 24 hours per day.
- **Adult day care** – A community program designed to provide services or supervision during the day.
- **An assisted living facility** – A facility allowing more independent living but with access to professional care around the clock.
- **A nursing home** – A facility capable of providing skilled and custodial services for those who require higher levels of care and attention.

#### 4. *“What are your chances of needing long-term care?”*

- Your chances of loss – Most of us wouldn't dream of living without auto or home insurance. But the odds are that you're more likely to need long-term care than get into a car accident or experience a fire in your home.



#### 5. *“Why choose the State Farm Long-Term Care Insurance policy?”*

State Farm has consistently received high ratings for financial strength and claims paying ability from independent rating agencies. You can feel confident that State Farm will be there for you.

# The long and short of long-term care costs

**If you ever need long-term care, it may cost you a pretty penny. Here are some recent figures:**

- Agency-provided homemaker/companion services average \$17/hour nationally.<sup>3</sup>
- Visits from home health aides average \$19/hour nationally.<sup>3</sup>
- A stay in a nursing home costs \$205 a day on average.<sup>4</sup>

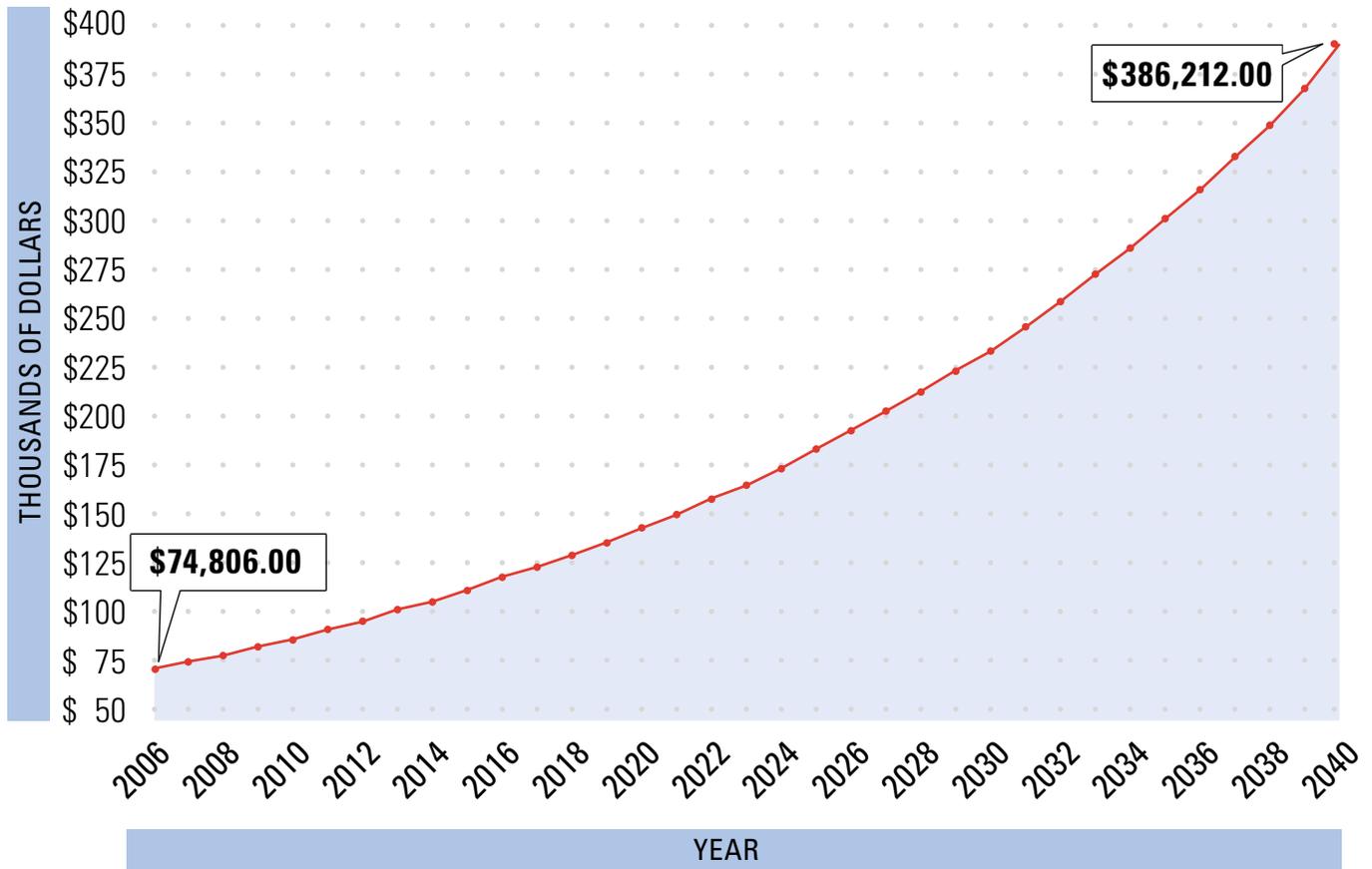
**So how much could your care cost? Let's look at an example:**

Melinda was healthy and active until she suffered a stroke. To continue living in her home, Melinda needed part-time care five days a week, at \$19 an hour. Five years later, she had another stroke that completely paralyzed her right side. Due to her increased need for care, she moved to a nursing home at \$205 a day, where she lived for the remaining three years of her life.

WHAT WAS THE COST OF MELINDA'S CARE?		
<b>Home health care:</b>	\$152 per day x 5 days a week x 52 weeks for 5 years	\$39,520 X 5
Home health care total		\$197,600
<b>Nursing home care:</b>	\$205 per day x 365 days for 3 years	\$74,825 x 3
Nursing home care total		\$224,475
<b>Total cost of Melinda's long-term care</b>		<b>\$422,075</b>

Believe it or not, these costs are on the rise. In fact, the total increase in nursing home expenditures is expected to be around 5.1 percent a year.<sup>5</sup> Here's what that increase means in potential costs to you:

### Rising cost of care in a nursing facility



You need to know the facts about these dramatically rising costs, and how they could impact your finances. There are plenty of misconceptions out there about the cost of long-term care, the kind of financial assistance available, and the conditions under which you can receive it.

## Paying for long-term care: Myths and realities

MYTHS	REALITIES
<b>My family will take care of me.</b>	Think of the time, effort, and money involved in caring for an adult. Is this what you want for your family? Is this what your family wants?
<b>Medicare will pay for it.</b>	Medicare only pays for a limited amount of skilled care to help you recover from an acute condition as long as you are improving. It has limited benefits for custodial care for short periods of time.
<b>My Medicare Supplement Plan or Long-Term Disability Plan will cover long-term care costs.</b>	Actually, they won't. These policies are not designed to cover expenses for ongoing long-term care services.
<b>I'll pay for my long-term care costs out of my own savings.</b>	Home health aides average \$19 an hour, <sup>3</sup> and nursing home costs average \$205 a day. <sup>4</sup> How long could you pay for these expenses before your assets were depleted?
<b>I'll spend all of my money until I qualify for Medicaid.</b>	When Medicaid pays your long-term care costs, the government makes many of the decisions regarding your care. That means they only pay for nursing home care, not the home health care you might prefer. Be sure to check with facilities in your area because not all nursing homes accept Medicaid enrollees.



## It pays to think about the future

The sooner you prepare for the future with a Long-Term Care insurance policy, the better off you'll be. Here's why:

- **Lower premium costs** – Your policy premiums depend on your age when you purchase the policy. So the sooner you buy, the lower your premium.
- **Spousal discount** – If you and your spouse both apply for a State Farm Long-Term Care insurance policy, you could receive a 30 percent discount on your premiums—even if only one of you is insurable.
- **Eligibility** – It's best to buy the policy while you're eligible. If you wait, you'll only be able to purchase the policy at a much higher premium or your health may change so that you'll be ineligible.
- **Increased care costs** – Total long-term care costs may nearly quadruple by 2040!<sup>1</sup> A Long-Term Care insurance policy will help ensure you have the means to cover these costs, especially if you add inflation protection coverage.

# Coverage that fits your life

Everyone is different, with different needs. That's why State Farm allows you to choose the amount of coverage that's right for you.

- **Maximum Daily Benefit** – This is the most your policy will pay for each day of qualified long-term care services you receive. You choose the amount, from \$100 to \$500 per day.
- **Benefit Factor** – You decide how long your policy will pay for your long-term care.
  - 2 years      - 3 years
  - 5 years      - 10 years
  - Lifetime benefits (Unlimited number of years)
- **Maximum Lifetime Benefit** – This is the total benefit amount you will have available to pay for your care while the policy is in force. To figure this amount, multiply the amounts you chose for your Maximum Daily Benefit and the Benefit Factor.

For example: Maximum Daily Benefit of \$250 x Benefit Factor of 1,095 days (3 years) = \$273,750.

When deciding how long you wish to receive benefits, remember that the policy may pay you for a longer or shorter timespan than the period you choose. That's because your policy will continue paying benefits until your Maximum Lifetime Benefit is exhausted, which may be longer than your chosen Benefit Factor. Let's see how this works:

How long could your Maximum Lifetime Benefit of \$273,750 last if the cost of care was \$200 per day?

Three years of care:	$\$200 \text{ a day} \times 365 \text{ days} \times 3 \text{ years}$	\$219,000
Amount paid by policy:	$\$200 \text{ a day} \times 365 \text{ days} \times 3 \text{ years}$	\$219,000
Maximum Lifetime Benefit amount remaining after three years:	$\$273,750 - \$219,000$	\$54,750
Additional days of care paid by policy after three years:	$\$54,750 \div \$200 \text{ a day}$	273 days
<b>Total time of care paid for by policy</b>		<b>3 years, 273 days</b>

In this example, since the cost of your care was \$200 (\$50 less than your chosen Maximum Daily Benefit of \$250) your policy continued to pay benefits longer than your Benefit Factor of three years.

- Elimination Period** – An Elimination Period is similar to the deductible on other insurance policies. It is the number of days that you must receive care and pay an eligible caregiver for your care before you begin receiving your policy benefits. You decide how long the Elimination Period will be—30 days, 90 days, or 180 days.\* Remember, you pay all long-term care costs out-of-pocket during this period. The longer the Elimination Period you can afford to choose (not only now, but also in the future), the lower your monthly premiums will be.

Let’s look at some examples:

30-DAY ELIMINATION PERIOD	
Days 1-30	You continue to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
Days 31-90	You continue to pay premiums, and the policy provides coverage.
<b>Days 91 and after**</b>	You no longer have to pay premiums. The policy provides coverage until your Maximum Lifetime Benefit is exhausted.

90-DAY ELIMINATION PERIOD	
Days 1-90	You continue to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
<b>Days 91 and after**</b>	You no longer have to pay premiums. The policy provides coverage until your Maximum Lifetime Benefit is exhausted.

180-DAY ELIMINATION PERIOD*	
Days 1-90	You continue to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
Days 91-180	You no longer have to pay premiums, but the policy does not provide coverage until the end of the Elimination Period.
<b>Days 181 and after**</b>	You no longer have to pay premiums. The policy provides coverage until your Maximum Lifetime Benefit is exhausted.

\*The availability of the 180-day elimination period varies by state.

\*\*This is considered waiver of premium. For more information, please see the waiver of premium section on page 17.



## When you can receive policy benefits

First, a licensed healthcare practitioner (such as a physician, registered nurse, or licensed social worker) must certify that you are chronically ill.<sup>6</sup> That means that you are unable to perform any two of the following tasks (known as Activities of Daily Living) for at least 90 days, without substantial assistance from another person:

- Bathing
- Toileting (using the bathroom)
- Dressing
- Contingence (controlling bladder and bowel function, or the ability to perform hygienic tasks when control is lacking)
- Transferring (moving into or out of a bed, a chair, or a wheelchair)
- Eating (feeding yourself – does not include meal preparation)

You could also be certified as chronically ill if your health and safety are threatened and you require substantial supervision because of a severe cognitive impairment (such as Alzheimer's disease).

After you have been certified as chronically ill, you must also satisfy your Elimination Period before receiving benefits.

# Coverage for the care you need

A long term care insurance policy covers a wide variety of care options.

## **Custodial care**

This is basic supportive assistance, typically for help with the performance of Activities of Daily Living, or supervision for someone with a severe cognitive impairment.

## **Skilled care**

Skilled care includes medical services such as physical, occupational, and speech therapies, as well as some nursing services. This assistance may be provided in your home or in an eligible facility over an extended period of time. Skilled services covered by Medicare are not eligible for benefits.

## **Home and community-based care**

This is care you receive in your home or at an adult day care. For each calendar week you receive qualified home and community-based care, your policy will pay the lesser of:

- Seven times your chosen Maximum Daily Benefit (per calendar week)
- The total costs for services provided by:
  - **Home health care agencies** – Covered long-term care services include occupational, physical, respiratory, or speech therapy or nursing care provided by registered, licensed practical, or vocational nurses. Covered services also include qualified services from a medical social worker, home health aide, homemaker, or other similar services.
  - **Adult day care** – The policy covers care you receive at an adult day care facility while your usual caregiver is at work.

Thanks to these additional benefits, your policy could help you stay at home longer:

- **Home Modification Benefit** – Your policy will pay up to 50 times your Maximum Daily Benefit for qualified services to help you avoid moving to a facility. Covered services include widening doorways; building ramps; restructuring bathroom facilities to accommodate wheelchairs; or purchasing, renting, or leasing durable medical equipment for use in your home.
- **Alternate Plan of Care** – Let's say you need the level of care that is provided in a long-term care facility (accessibility to medical assistance 24 hours per day), but you would rather pursue an alternate plan of care in your home. With approval from you, your doctor, and State Farm, efforts will be made to create a unique plan of care to fit your specific needs.
- **Caregiver training** – The policy will cover the costs of training a family member or friend to give you the care you need. Charges for an informal caregiver's services are not covered/ payable under the policy.

- **Medical Help System** – With a Medical Help System, you can call an ambulance to your home with the touch of a button. For a maximum of 12 months during your lifetime, your policy will pay up to 25 percent of your chosen Maximum Daily Benefit to help with the monthly cost of renting or leasing a Medical Help System that is installed in your home while your policy is in force.
- **Respite care** – Allows you to continue to receive care while your usual caregiver takes time away. Your policy will cover the cost of an eligible caregiver up to your chosen Maximum Daily Benefit, for up to 30 days per calendar year.

### Facility-based care

If you should require a higher level of care, your policy will cover the cost of care (up to your Maximum Daily Benefit) at these qualified facilities:

- **Alternate care facility** – At an Alternate Care Facility (also known as an assisted living facility), you can receive professional care around the clock without being confined to a nursing home. For qualified Alternate Care Facilities, your policy pays 100 percent of the daily cost, up to your elected Maximum Daily Benefit.
- **Long-term care facility** – The policy covers 100 percent of the daily cost of the care you receive at a qualified nursing home, up to your elected Maximum Daily Benefit.
- **Bed reservation** – If you remain Chronically ill and are temporarily away from a facility, we will continue to pay up to the Maximum Daily Benefit to reserve your bed, for up to 30 days per calendar year.

## More features for more coverage

These features are also included with your policy:

- **Care Management Services** – During a claim, care management professionals are available to work with you, your family, and your doctor to help develop and monitor your plan of care. This service is available at no additional cost, and you are not obligated to use the care management professionals.
- **Guaranteed Renewable** – Your policy will continue to be renewed as long as you pay the premiums on time.
- **30-Day Review Period** – You may return your State Farm Long-Term Care insurance policy for a complete refund within 30 days of receiving it, should you decide that it doesn't fit your needs for any reason.

- **Unintentional Lapse Notification** – If your policy payments are not received on time, we will notify both you and anyone you have named in advance that your policy may lapse.
- **Reinstatement for Cognitive Impairment or Functional Incapacity** – Suppose your policy lapses. Within six months, we will reinstate it if you ask for reinstatement on the basis that you suffered from cognitive impairment or functional incapacity when coverage lapsed. You must pay all past-due premiums.
- **Waiver of Premium** – Your premium will be waived after your policy has covered 90 days of qualified long-term care, as long as the days of care are not separated by more than 15 consecutive days. These 90 days include your Elimination Period. Benefits paid under the Medical Help and Caregiver Training benefits do not apply toward Waiver of Premium eligibility.
- **Restoration of Benefits** – If you were once chronically ill and have not received or required covered long-term care services for 180 consecutive days, then your Maximum Lifetime Benefit (if not already exhausted) will be fully restored. This benefit does not apply if you've chosen the Lifetime Benefits factor, since those benefits are never-ending during your lifetime. The Home Modification benefit is not subject to restoration.
- **Tax Qualified** – Your policy is tax qualified, which means a portion of your premiums qualifies as a medical expense for federal income tax purposes if you itemize deductions.

As you can see, this policy comes with a wide variety of benefits. But there are more ways you can tailor your coverage to fit your needs.

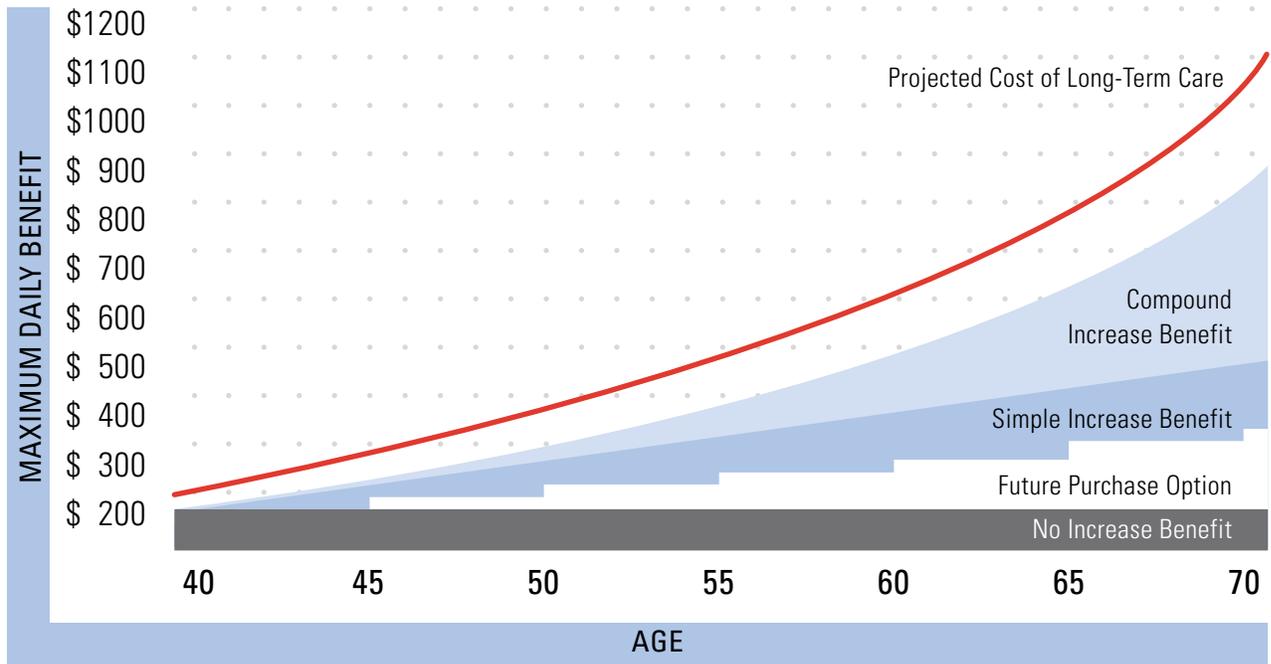
## Inflation Protection

Help maintain or even build the value of your policy with any of these inflation protection options?

- **Future Purchase Option** – You will be given the opportunity to increase your Maximum Daily Benefit on the anniversary of your policy's effective date following your 45th, 50th, 55th, 60th, and 65th birthdays. This benefit is only available if an Automatic Increase Benefit Rider is not selected.
- **Compound Automatic Increase Option** – Each year, your selected Maximum Daily Benefit increases by 5 percent over the previous year's amount, and the Maximum Lifetime Benefit is increased by 5 percent of the Remaining Maximum Lifetime Benefit.
- **Simple Automatic Increase Option** – Each year, your selected Maximum Daily Benefit increases by 5 percent of its original amount and the Remaining Maximum Lifetime Benefit increases proportionately.

# The Effects of Automatic Increase Options

Starting with \$200 Maximum Daily Benefit



Maximum Lifetime Benefits based on 5-year benefit factor with \$200 Maximum Daily Benefit assuming 5 percent interest and no claim payments in 30 years. Cost of long-term estimates from Centers for Medicare & Medicaid Services.

**Compound Automatic Increase**

- \$864—Maximum Daily Benefit
- \$315,360—Maximum Annual Benefit
- \$1,576,800—Maximum Lifetime Benefit

**Future Purchase Option**

- \$25 increase every 5 years if you exercise this option at each offering

**Simple Automatic Increase**

- \$500—Maximum Daily Benefit
- \$182,500—Maximum Annual Benefit
- \$912,500—Maximum Lifetime Benefit

**No Increase Benefit**

- \$200—Maximum Daily Benefit
- \$73,000—Maximum Annual Benefit
- \$365,000—Maximum Lifetime Benefit

• **Nonforfeiture Benefit/Shortened Benefit Rider** – This rider ensures that you will receive benefits equal to the total sum of premiums you have paid, even if you stop paying premiums and the policy is cancelled. These restrictions apply:

- The policy and riders must be in force for 3 years.
- The Maximum Daily Benefit amount will be the amount in effect on the first day following the end of the period covered by your last paid premium (the nonforfeiture date).
- The maximum amount we will pay for all covered care or services you receive after the nonforfeiture date is the greater of:
  - 100 percent of the sum of all premiums paid for this policy and riders.
  - 30 times the Maximum Daily Benefit in effect on the nonforfeiture date.



## State Farm is here for your health

For more than 85 years, our policyholders have counted on us for their insurance needs. State Farm is the right choice for your Long-Term Care insurance, too. Here's why:

- We have the financial strength to meet our obligations to policyholders.
- Our Care Management Services are available to work with you, your family, and your doctor to help develop and monitor your plan of care.
- If you and your spouse both apply for State Farm Long-Term Care Insurance policies, you may qualify for a 30 percent Spousal Discount on your premiums.
- Getting in touch is always easy. Walk in, Mail in, Call in, Click in<sup>®</sup>. Contact your State Farm agent today or visit [statefarm.com](https://statefarm.com)<sup>®</sup>.

Long-term care coverage is every bit as essential as having basic health care insurance. And it doesn't have to be difficult to find the right coverage for you. Talk to your agent, and see how State Farm can make it simple.

# NOTES

Note: This is a marketing tool intended for use in the sale of insurance, and potential contact may be made by a State Farm agent. This brochure provides a brief, general description of the coverage provided by this policy. It is not a contract and certain exclusions and limitations apply. A complete statement of the coverage provided is found only in the policy itself. Policy availability, coverages, exclusions and limitations may vary in some states. For exact terms and conditions see: Long Term Care Insurance policy form 97059, 97060, 97061.

Contact your agent for additional details and cost.

<sup>1</sup>Congressional Budget Office, Financing Long-Term Care for the Elderly (April 2004).

<sup>2</sup>2007 Field Guide, National Underwriter Company.

<sup>3</sup>The MetLife Market Survey of Nursing Home & Home Care Costs (September 2006).

<sup>4</sup>Based on rates for a private nursing home room. Genworth Financial 2007 Cost of Care Survey. Conducted by CareScout, an independent research firm (March 2007).

<sup>5</sup>Centers for Medicare and Medicaid Services, 2005.

<sup>6</sup>In order to qualify for policy benefits, the insured must meet the definition of chronically ill set forth in the applicable policy form.

<sup>7</sup>Inflation protection availability varies by policy type.

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