

Group Long-Term Care Insurance Plan

Introduction

Sandia National Laboratories is pleased to offer its employees and eligible family members the opportunity to purchase group long-term care insurance through [Mutual of Omaha](#) Insurance Company, at reasonable group rates.

More and more families each year face decisions regarding long-term care. In the past decade, the average life span of Americans has increased dramatically. But longevity is not necessarily accompanied by good health. Today, the fastest growing segment of society consists of persons age 85 and up. This increasing number of elderly has increased the need for long-term care services for many families.

It makes sense to plan for the future today, to ensure you or a loved one are not faced with a decision of needing long-term care and not having the means to pay for such care.

This brochure provides important information about long-term care, and why you should seriously consider the protection that Mutual of Omaha's group long-term care insurance can provide.

By the year 2000, based on current estimates, 7.5 million Americans will need long-term care.¹

A Mutual of Omaha Long-Term Care Customer Service Representative is available to answer your questions about this plan. Call 800-877-1052, 8 a.m. to 4:30 p.m. Central Time, Monday-Friday, except holidays.

¹The Health Insurance Association of America, 1994.

Benefit Chart

Type of Care	Waiting Period	Maximum Daily Benefit	Maximum Benefit -- 5 years	Maximum Benefit -- 10 years	Prerequisites
Confinement in a Nursing Care Facility: <ul style="list-style-type: none"> • Skilled Nursing Care • Intermediate Nursing Care • Custodial Care 	30 days	\$100 or \$150 per day	\$182,500 or \$273,750	\$365,000 or \$547,000	No prior hospitalization required
Non-confinement: <ul style="list-style-type: none"> • Home Health Care • Adult Day Care 	30 days	\$75.00 or \$112.50 per day	\$182,500 or \$273,750	\$365,000 or \$547,000	No Prior Long-Term Care Confinement Services Required
<ul style="list-style-type: none"> • Respite Care 	No Waiting Period	50% of the expense incurred up to \$50 or \$75 per day	21 days per calendar year	21 days per calendar year	Advance approval from a Mutual of Omaha ElderCare Specialist required for respite care

Please note: All benefits are subject to the [preexisting conditions limitation](#).

Enrollment Information

Who Is Eligible?

All regular full-time and part-time employees are eligible to apply for coverage. New employees who enroll within 30 days after their date of hire do not have to submit proof of insurability unless they are currently receiving long-term care services. Employees who enroll more than 30 days after their date of hire must submit proof of insurability.

Unlike some long-term care insurance plans, you do not need to enroll yourself in order for your family members to be eligible to apply. Spouses, parents, parents-in-law, stepparents or adoptive parents of

employees are also eligible to apply and must submit proof of insurability. Eligible parents include one male and one female person for you, and one male and one female person for your spouse.

As part of the underwriting process, Mutual of Omaha may require a physician's statement and copies of your medical records. In some cases, a medical examination may be required at Mutual of Omaha's expense.

Note: This long-term care insurance plan is currently not available to Maryland, Delaware or Connecticut residents.

Why Enroll Now?

You may need long-term care anytime in your life, not just when you become elderly. And rates are lower when you enroll at a younger age. Enrolling early means you'll continue to pay the rate for the age at which you originally enrolled. However, Mutual of Omaha will periodically review the experience of their long-term care insurance participants and may adjust the premium rates.

Effective Date

For persons who are required to complete a health application and be underwritten by Mutual of Omaha, if the application is approved on or before the 15th of the month, coverage will become effective on the first day of the following month. If the application is approved after the 15th, coverage will become effective on the first day of the next following month. The effective date will be specified in your certificate-booklet, which you will receive after your enrollment has been verified.

If you are an employee, the effective date of coverage will be deferred if you are confined to an institution or disabled at the time coverage would normally begin. It is deferred until you return to active work.

If you are other than an employee, the effective date will be deferred if you are confined to an institution or disabled at the time coverage would normally begin. It is deferred until you are no longer confined or disabled.

Remember, your rates are based on your age on the date your coverage becomes effective.

How to Apply

Employees and eligible family members who wish to apply for coverage can call Mutual of Omaha at 800-877-1052 for a brochure and health application. They may also call this 800 number with any questions regarding the long-term care insurance plan.

At the time of telephone enrollment, or when completing the health application, you will need to select a Maximum Daily Benefit (\$100 or \$150), a Maximum Benefit (5 years or 10 years) and if you want the Automatic Inflation Protection option. Please refer to page 8 for more information about the Automatic Inflation Protection option.

After determining your benefit selections, find your age in the rate charts at the back of this brochure. The rates listed are monthly.

Premium Payment

Premiums for employees and spouses will be deducted automatically from the employee's payroll check.

Premiums for retirees and retiree spouses (when eligible), parents and parents-in-law will be billed directly to the home address, as indicated on the application, or deducted from a bank account. If you want the premium deducted from a bank account, complete the Bank Service Plan Authorization, return it with the health application and attach one month's premium and a voided check. Premium for the following month will automatically be deducted from the bank account on the fourth Friday of every month.

For example, if coverage is effective January 1, the one month's premium submitted with the health application will be applied toward the January premium. Deductions from a bank account will begin on the fourth Friday in January for the February premium. Bank deductions will continue on the fourth Friday of each month for the following month's coverage.

For persons billed directly at home, send premiums to:

Mutual of Omaha Insurance Company
S1 - Group Long-Term Care - Premium
Mutual of Omaha Plaza
Omaha, NE 68175

Except for annual billings, there is a \$5 fee per billing statement.

Coverage is subject to the timely payment of premium.

What is Long-Term Care?

According to the latest study by the Health Insurance Association of America (HIAA), long-term care goes beyond traditional medical care to include any assistance you might need if you were to have a chronic illness or disability that leaves you unable to care for yourself.

The services that may be required usually include assistance with Activities of Daily Living, such as bathing, eating, dressing, toileting and transferring/walking. The level of need will determine if care should be provided by a nursing home, or family members, visiting nurses, home health aides or other community services in your home. An adult day care facility could be appropriate, as could respite services, which are designed to give caregivers a break from daily responsibilities.

Respite services are payable up to 21 days per calendar year and you are not required to incur the expense of a Waiting Period. Respite benefits are payable when the patient is confined to a Nursing Care Facility or Assisted Living Facility or when overnight respite services are provided by a Home Health Care Agency in order to provide relief to the primary caregiver. Respite services must be preapproved by a Mutual of Omaha ElderCare Specialist.

Why You Need Long-Term Care Insurance Protection

When you or a family member require help with normal daily activities due to aging or a disabling accident or illness, you may need long-term care assistance. Recognizing this need, Sandia is providing you and eligible family members the opportunity to enroll in this important coverage.

On average, 43% of Americans turning age 65 this year will eventually spend time in a nursing home. And the American Association of Retired Persons (AARP) estimates 23% of the elderly with chronic health problems will need help bathing, dressing and eating.

The cost of receiving care at home can be a hardship too. The cost of having assistance provided by a home health aide three times a week can easily cost \$5,300 a year; over \$8,000 annually if care is provided in the home by a skilled nurse.

Even when funds have been set aside for retirement or emergencies, a long-term care situation can quickly deplete a family's lifetime of savings. This group long-term care insurance plan can help guard against this circumstance.

Plan Features

According to the Wall Street Journal, if you were to shop for a long-term care insurance plan on your own, experts recommend looking for an insurance plan that includes inflation protection, economical cost, portability and a financially healthy insurer.

Although Sandia has already done the "shopping" for you, here are some of the major features of the group long-term care insurance plan being offered to Sandia employees and their eligible family members through Mutual of Omaha.

Maximum Daily Benefit

This is the maximum dollar amount of benefits that will be payable for each day you are receiving covered long-term care services, except for respite care. Your maximum is \$100 or \$150 per day. Benefits for respite care are payable at 50% of the expense incurred up to \$50 or \$75 per day.

Maximum Benefit

Your plan has a Maximum Benefit, expressed in dollars, depending on the Maximum Daily Benefit and Maximum Benefit you select. The Maximum Benefit is the maximum dollar amount payable for all covered services combined while you are insured. Once your Maximum Benefit has been exhausted, no further benefits will be payable.

NOTE: The Maximum Benefit (\$182,500, \$273,750, \$365,000 or \$547,500) applies to all confinement, nonconfinement and respite care services combined. The \$182,500 Maximum Benefit is based upon your receiving the Maximum Daily Benefit of \$100 each day for five years. The \$273,750 Maximum Benefit is

based upon your receiving the Maximum Daily Benefit of \$150 each day for five years. The \$365,000 Maximum Benefit is based upon your receiving the Maximum Daily Benefit of \$100 each day for ten years. The \$547,500 Maximum Benefit is based upon your receiving the Maximum Daily Benefit of \$150 each day for ten years.

Respite Care Services

Many family members are the primary caregiver of services for a loved one who needs assistance with their daily activities. Recognizing this need, Mutual of Omaha provides a means of relief for the primary caregiver, without having to incur the expense of a Waiting Period. Under this provision, benefits are payable when the insured person receives overnight respite care services in a Nursing Care Facility or Assisted Living Facility, or through a Home Health Care Agency for services at home. However, respite services must be preapproved by a Mutual of Omaha ElderCare Specialist. Respite care services are payable up to 21 days per calendar year.

Automatic Inflation Protection Option

This is a method of protecting your long-term care insurance investment against inflation. You choose this option at the time of enrollment. Automatic Inflation Protection increases your Maximum Daily Benefit by 5% each year on a compound basis as long as your certificate remains in force up to a maximum of 20 years. Since its automatic, you don't need to reapply. In fact, it will go into effect even if you're receiving benefits at the time.

Automatic Inflation Protection makes your premiums higher at initial enrollment, compared to premiums without this option. However, the premium will be constant, which means your rates will remain at the rate for the age at which you originally enrolled, not for the age at which the benefit increase becomes effective. Mutual of Omaha periodically looks at the experience of all their long-term care insurance plans and adjusts premiums accordingly. To date, Mutual of Omaha has not had a premium increase under any of their long-term care insurance plans.

Waiting Period

The Waiting Period is the amount of time you must incur expenses for a covered service before you are eligible to receive benefits. It helps ensure that the care you receive is long-term in nature.

This period is completed after you have been receiving long-term care confinement and/or nonconfinement services for 30 days. You or a family member may notify a Mutual of Omaha ElderCare Specialist of the possibility that a covered person's condition could become a long-term care situation. The Waiting Period does not apply to respite care benefits.

Additional Features

Preexisting Conditions

If you receive medical treatment for a condition in the six-month period before becoming insured under the policy, we will not pay benefits for that condition during the first six months coverage is in force. Thereafter, benefits will be paid according to the plan selected during enrollment.

Coordination of Benefits

The coordination of benefits provision is important because it may affect the benefits payable under this long-term care insurance plan. You could be covered by other group plans that offer benefits for some of the same services covered under this plan. To prevent this duplication of benefits, this plan coordinates benefits with Medicare and other group plans that cover long-term care expenses.

Under the Coordination of Benefits provision, when there are two plans, the primary plan pays benefits first - as if it were the only plan. The secondary plan's benefits, when added to the benefits payable by the primary plan, cannot exceed 100% of the total covered expense. See the Glossary to determine which insurance plan is primary.

Level Premiums

Your premium is based on your age at the time your coverage becomes effective. Premiums may increase based on plan experience (utilization of the benefits by all enrollees), but will not go up just because you get older or use the plan. For instance if you enroll in the plan at age 35, your rate will remain at the rate for a 35-year-old.

You cannot be singled out for a premium rate increase due to changing health or aging. Your coverage cannot be canceled as long as you continue to pay your premiums.

Waiver of Premium

When you are confined in a nursing care facility for 60 continuous days, or have received five or more Home Health Care visits per week for nine consecutive weeks, or a combination of continuous confinement or Home Health Care visits, your premium payments are waived, beginning on the first day of the month following eligibility for Waiver of Premium. Your insurance coverage will continue without payment of premium as long as your confinement continues or you continue to receive five Home Health Care visits per week and insurance benefits are payable. Your Waiting Period applies toward these 60 days.

Once you are no longer confined, or receive less than five Home Health Care visits per week, premium will again be due beginning on the first day of the month following the end of eligibility for Waiver of Premium.

Portability

This is an important feature which allows you to keep the plan in force by continuing to pay premiums directly to Mutual of Omaha if the plan ends for any reason, or your employment terminates. Your premium will remain at the same economical group rates as long as you continue to make premium payments.

Qualifying for Benefits

Long-term care insurance plans are relatively new to most people. Identifying the need for long-term care services, how severe the need is, and what kinds of services will best serve you requires a special person with a special background. That's why a Mutual of Omaha ElderCare Specialist is assigned to review each case.

At the time you or family members require long-term care services, you can access benefit information by calling Mutual of Omaha's toll-free number, 800-877-1052. By calling that number, you will be put in touch with an ElderCare Specialist who will work with you and your family throughout the duration of the claim. They will provide assistance regarding appropriate providers of services and the level of care needed.

Activities of Daily Living (ADLs)

These are the normal functions of daily life that can be lost through aging or a debility. Studies have shown that the ability or inability to perform these activities predicts the need for long-term care. The activities we have identified as being most indicative of a person requiring assistance are:

- Walking/Transferring
- Bathing
- Dressing
- Eating
- Toileting

For example, if you were able to perform most activities by yourself, but needed help getting into the bathtub and dressing, a Mutual of Omaha ElderCare Specialist might recommend a Home Health Care plan that involves a health aide visiting your home to help you with these activities. The Mutual of Omaha ElderCare Specialist will work with your physician to verify which services are necessary and appropriate for you.

You do **not** have to be disabled due to a specified illness or injury to be eligible for benefits. As long as you are unable to perform the required number of ADL's without the assistance of another person, and your physician verifies this, you are eligible for benefits for covered services under the long-term care insurance plan.

Exclusions and Limitations

The plan does not cover any expense, loss or charge:

- a. which exceeds usual and customary charges;
- b. incurred after insurance ends (except termination of insurance will not affect a confinement which began prior to termination of insurance and which continues without interruption);
- c. for services or supplies not recommended by a physician or not reasonably necessary in treating the condition;
- d. which results from an intentionally self-inflicted injury or sickness, or suicide or attempted suicide while sane or insane;
- e. resulting from participation in a riot or in the commission of a felony;
- f. for services or supplies which are not provided in accord with generally accepted professional medical standards, or which are for experimental treatment or are investigative and not proven safe or effective;
- g. for injuries or sickness for which the insured person is entitled to coverage under workers' compensation or occupational disease law;
- h. resulting from declared or undeclared war or armed aggression;
- i. for long-term care services incurred outside the United States, its territories or possessions;
- j. incurred due to treatment for alcoholism or drug abuse;
- k. incurred due to mental disorders, except Alzheimer's disease or similar forms of senility or irreversible dementia;
- l. for services or supplies provided or paid for by the federal government or its agencies; except for: the Veterans Administration, when services are provided to a veteran for a disability which is not service connected; a military hospital or facility, when services are provided to a retiree (or dependent of a retiree) from the armed services; or a group health plan established by a government for its own civilian employees and their dependents;
- m. for which any governmental body or its agencies are liable while on active duty or training in the Armed Forces, National Guard or reserves or any state or country;
- n. which the insured person does not have to pay;
- o. paid by any other provision of the group health plan provided by the policyholder;
- p. services or supplies provided by a person who lives with you or is part of your family.

Other Facts About Long-Term Care

Financial Health of the Insurer

The past decade has wreaked havoc on many businesses, including some insurance companies and financial institutions in particular. The junk bond phenomenon of the '80s drove many of these businesses into bankruptcy, unable to pay promised benefits.

Mutual of Omaha Insurance Company maintains substantial reserves in excess of industry and regulatory standards, and receives consistently high ratings from industry analysts, including an A+ (Superior) from the A.M. Best Company for financial stability and sound operating performance. Mutual of Omaha does not purchase junk bonds.

Insurance is a promise to pay. And Mutual of Omaha is committed to this philosophy. You can rest assured that benefits will be available when you need them years from now.

What About Medicare and Medicaid?

The problem with government plans such as Medicare and Medicaid is their strict benefit eligibility limitations. Medicare pays benefits for skilled nursing care in a Medicare-approved nursing home. However, Medicare generally leaves a family's expenses for Home Health Care or custodial care uncovered due to its eligibility requirements. Currently, Medicare pays only 5% of the nation's nursing home bill. Medicare was never intended to pay for long-term care.

Medicaid is a government assistance plan which requires that a family spend down its assets to near poverty level before benefits can be payable. This happens more quickly than you might think.

The average annual cost of a nursing home stay in 1994, on a national basis, was \$34,000. Historically, two-thirds of all patients entering nursing homes start out paying this cost themselves. But with the high cost of care in a nursing home, few families can afford to maintain this type of expense.

Misstatements

Misstatements or omissions in your application may be used to contest the validity of insurance, reduce coverage or deny a claim in the first two years your certificate is in force. There is no time limit on the right to contest insurance or deny a claim if you were not eligible for coverage.

About Your Right to Privacy

Mutual of Omaha routinely needs information about you in order to underwrite and administer your insurance coverage. You are our most important source, but we may obtain additional information from physicians, hospitals, or another insurance company.

Personal information is treated in a confidential manner. It will be used only to the extent necessary for the conduct of our business. This information will not be disclosed to other persons or organizations without your written authorization.

You can get personal information from our files, offer reasons to correct, amend or delete such recorded personal information, and file your own statement of facts if you believe ours is incorrect, by writing to:

Mutual of Omaha Insurance Company
S1 - Group Long-Term Care Department
Underwriting Division
Mutual of Omaha Plaza
Omaha, NE 68175

Please include your full name, Social Security number, address and date of birth. Specify the policyholder and policy number below.

Policyholder: Sandia National Laboratories

Policy Number: GMLC-7V83

Glossary

Some Terms You Should Know

Activities of Daily Living (ADL's)	Walking/transferring, bathing, dressing, eating, toileting
Adult Day Care	Usually a daytime program for adults, including medical, personal, and recreational services
Assisted Living Facility	Facilities licensed to serve persons who require assistance with Activities of Daily Living. Examples include rest home, custodial care facilities, personal care facilities and adult foster care facilities.
Benefit Period	Begins on the first day you receive covered services (except respite care services) and ends when you go for 180 continuous days without receiving covered services.
Confinement Rule	Covered persons must not be confined to: a hospital; a facility other than a hospital; or their home under the supervision of a physician at the time coverage becomes effective.
Confinement Services	Necessary skill nursing care, intermediate care, and custodial care in a nursing home.
Coordination of Benefits	<p>Under this provision, when there are two group plans, the primary plan pays first. If you are covered under another group plan and that plan does not have a coordination of benefits clause, it will be considered the primary plan.</p> <p>If your other group plan does have a coordination of benefits clause, the plan which has covered the insured person for the longest period of time will be considered primary.</p> <p>The secondary plan's benefits, when added to the benefits payable by the primary plan, cannot exceed 100% of the total covered expenses incurred.</p>
Custodial Care	Assistance with personal care which can be provided by someone without professional skills or training.
ElderCare Specialist	a registered nurse with experience or training in elderly services such as home health care or a skilled nursing facility.
Expense	The expense incurred for a covered service or supply. A physician has to order or prescribe the service or supply. Expense is considered incurred on the date the service or supply is received. Expense does not include any charge for a service or supply which is not necessary, or which is in excess of the usual and customary charge for a service or supply.
Home Health Care	Provided at home, this includes personal care, skilled nursing care, speech therapy, physical therapy, social services, and the services of a home health aide.
Home Health Care Agency	Public or private agency or organization licensed and operated in accord with state law to provide Home Health Care.

Intermediate Nursing Care	Occasional nursing and rehabilitation care provided by skilled medical personnel, for those not needing round-the-clock skilled nursing care.
Long-Term Care Facility	A state-licensed inpatient facility providing a program of nursing care and related services. In general, retirement homes, rest homes, mental institutions or sheltered living homes do not meet the requirement for state licensing.
Maximum Daily Benefit	This refers to the maximum dollar amount payable each day you receive covered services. The plan will pay up to \$100 or \$150 per day for confinement services, up to \$75 or \$112.50 for nonconfinement and up to \$50 or \$75 per day for respite services, depending on the Maximum Daily Benefit you choose.
Maximum Benefit	This insurance plan has a Maximum Benefit of \$182,500, \$273,750, \$365,000 or \$547,500 (depending on the Maximum Daily Benefit and Maximum Benefit you choose). This Maximum Benefit applies to all covered confinement, nonconfinement and respite services combined.
Necessity	In order for the patient to receive benefits, a physician must certify that the treatment is necessary and appropriate. The plan does not require an injury or an illness in order for benefits to be payable.
Nonconfinement Services	Includes home health care and adult day care.
Nursing Care Facility	Facility that is licensed to provide skilled, intermediate or custodial care as its main function, provides continuous room and board for at least three people, is supervised by an on-duty RN or LPN, maintains daily medical records and maintains control and records for medication.
Nursing Home Care	Skilled or intermediate nursing care or custodial care for inpatients in a long-term care facility.
Preexisting Condition	A condition for which the patient received treatment or service in the six-month period before becoming insured. Benefits are not payable for services received during the first six months coverage is in force.
Primary/Secondary Plans	See Coordination of Benefits.
Respite Care	Respite care is a type of care designed to relieve the patient's caregiver(s). Respite care may be received while confined in a Nursing Care Facility or Assisted Living Facility or when overnight respite services are provided by a Home Health Care Agency. Respite benefits are payable up to 21 days per calendar year. The Waiting Period does not have to be met for respite services. These services are not considered part of the Benefit Period. Respite care services must be preapproved by a Mutual of Omaha ElderCare Specialist.
Skilled Nursing Care	This 24-hour-a-day care, performed under the supervision of a licensed physician, consists of nursing and rehabilitation services administered by registered nurses, licensed practical nurses, or physical therapists.
Waiting Period	The number of days confined in a facility or the number of days of Home Health Care or Adult Day Care services provided before the insurance plan pays benefits. You must satisfy a Waiting Period of 30 days for confinement and nonconfinement benefits each Benefit Period. The days applied toward the Waiting Period can be made up of confinement and/or nonconfinement services within the same Benefit Period. The Waiting Period does not apply to respite care benefits.

Waiver of Premium

You will not have to pay premiums which come due after you have received confinement services for 60 consecutive days, or have received five or more home health care visits per week for nine consecutive weeks, or a combination of continuous confinement or home health care visits. Your Waiting Period applies toward the qualifying period for Waiver of Premium.

Rate Charts

Click here to view...

- Appendix A: Monthly Rates for 5-Year Maximum Benefit
- Appendix B: Monthly Rates for 10-Year Maximum Benefit

FAQ

1. What is long-term care?

Long-term care is defined as the kind of services that you or a family member might need as a result of aging or a disabling accident or illness. Typically, these services include nursing home care, home health care, adult day care and respite care.

2. Who is paying the cost of long-term care?

There are several major sources that pay the cost of long-term care, including personal assets, government programs and private long-term care insurance. The following table shows the current percentage of long-term care expenses paid by each source (Health Insurance Association of America, 1990).

Personal and Family	56%
Medicaid	38%
Medicare	5%
Private Insurance	1%

3. How much does long-term care cost?

The cost of long-term care depends on the level of care received and where it is provided.

The cost of care while confined in a nursing care facility is about \$34,000 per year, depending on where you live. This is a national average cost. The cost of skilled care can be significantly higher.

4. I'm pretty healthy. What are the chances I will ever need long-term care?

The chances of needing long-term care increase with age. By the year 2000, based on current estimates, 7.5 million Americans will need long-term care (The Health Insurance Association of America, 1994).

But long-term care facilities aren't the only places where long-term care can be provided. Even more of us will receive some form of long-term care from a family member or from a home health care agency.

5. Doesn't Medicare pay if I have to go to a nursing home?

Neither Medicare nor private Medicare supplementary insurance will pay for most long-term care expenses. Many people think Medicare will cover the cost of nursing home care, but it actually pays only skilled nursing care.

6. How do I qualify for Medicaid?

Medicaid is a government welfare program. It is designed to help those who are indigent, although the requirements may vary from state to state. Generally, to become qualified for Medicaid, you must use (or "spend down") your assets. That's not just your savings. It's any assets you may have that can be turned into cash if sold.

There are a few exceptions. If you have a home in which you and your spouse are living, or you have a dependent child living in the home when one spouse goes into the nursing home, you do not have to sell your house as long as the spouse or dependent child is living in the home.

Historically, two-thirds of all patients who start out paying their own way in nursing homes become eligible for Medicaid within a year because they have exhausted everything they have. Before a patient can ever be considered for assistance, they are required to spend down most of their assets.

7. Is preauthorization required to be eligible for benefits under this plan?

Preauthorization (the approval of services before they are received) is required by Mutual of Omaha only for respite care. Preauthorization can be obtained by calling Mutual of Omaha at 800-877-1052. An ElderCare Specialist will explain how respite benefits may be accessed.

8. What is respite care?

Many elderly or disabled individuals are cared for at home by family members or friends. In order to provide relief to these caregivers, benefits are payable when the patient is confined to a Nursing Care Facility or Assisted Living Facility. Benefits are also payable for overnight respite services provided by a Home Health Care Agency. Respite benefits are intended to provide a period of relief to the primary caregiver, usually a family member. Respite benefits are payable up to 21 days per calendar year and do not require satisfaction of a Waiting Period. However, as noted above, prior authorization is required by a Mutual of Omaha ElderCare Specialist.

9. Do I have to be confined to a hospital before becoming eligible for long-term care benefits?

No. Many patients confined to long-term care facilities are not hospitalized first. This long-term care insurance plan has been designed to meet the needs of those chronically disabled who do not necessarily require the services of an acute care facility like a hospital.

By the same token, confinement in a nursing home is not required in order for you to be eligible for home health or adult day care benefits.

10. How long will the insurance plan pay benefits?

The plan will pay a Maximum Benefit of \$182,500, \$273,750, \$365,000 or \$547,500 depending on the Maximum Daily Benefit (\$100 or \$150) and Maximum Benefit (5 years or 10 years) you chose.

This Maximum Benefit is payable while the coverage is in force and includes benefits paid for respite care.

11. If I become eligible to receive long-term care benefits, will I have to keep paying my premium?

No. After you have received confinement services for 60 consecutive days, or have received five or more home health care visits per week for nine consecutive weeks, or a combination of continuous confinement or home health care visits, your premium payments are waived, beginning on the first of the month following eligibility for Waiver of Premium. You will not be required to resume premium payments until you are discharged from the nursing home or receive less than five home health calls per week. Once confinement ends, or you receive less than five home health visits per week, premium will again become due on the first of the month following loss of eligibility for Waiver of Premium. Your Waiting Period applies toward the qualifying time for Waiver of Premium.

12. Will my premiums increase if I use the insurance plan?

No, your premium will not increase just because you receive benefits. Premiums are based on your age at the time coverage becomes effective and you will always pay the premium of the age in which you entered the Plan. However, Mutual of Omaha will periodically review the experience of their long-term care insurance participants and may adjust the premium rates for all group long-term care participants.

13. Do the benefits increase with inflation?

An option that can be chosen at the time of enrollment or application is the Automatic Inflation Protection option. This provision automatically increases your Maximum Daily Benefit by 5% on a compound basis each year your certificate is in force up to a maximum of 20 years.

14. When will my coverage become effective?

For persons who are required to complete a health application and be underwritten by Mutual of Omaha, if the application is approved on or before the 15th of the month, coverage will become effective on the first day of the following month. If the application is approved after the 15th, coverage will become effective on the first day of the next following month. The effective date will be specified in your certificate-booklet.

If you are an employee, the effective date of coverage will be deferred if you are confined to an institution or disabled at the time coverage would normally begin until you return to active work.

If you are other than an employee, the effective date will be deferred if you are confined to an institution or disabled at the time coverage would normally begin until you are no longer confined or disabled.

15. Are there any age limits for enrollment?

The maximum age for participants is 79. Each applicant must be less than 80 years old on the date his or her coverage becomes effective. Dependent children are not eligible for the insurance plan, regardless of age.

16. Why isn't coverage available for persons age 80 and over?

The cost to someone age 80 or older would be extremely high. Therefore, only those who consider it very likely they would use the coverage would purchase it. This would ultimately cause the cost of the insurance plan and premiums for all ages to increase.

17. Does the age 79 maximum restrict benefits after I become 80?

No. Once you have purchased the insurance, your coverage continues in force as long as you pay your premiums or until all insurance plan benefits are exhausted.

18. Why isn't coverage being offered for dependent children?

The principal reason this coverage is being offered, even to younger adults, is to provide an affordable form of protection against the cost of long-term care, the likelihood of which increases as you age. Survey results indicate this coverage has limited appeal for the very young unless the child already has a condition requiring long-term care.

19. Will any kind of health statement be required?

There is no requirement for eligible employees to provide a health statement as long as you enroll when first eligible, are actively at work and are not currently receiving long-term care services.

Employees applying after the initial enrollment period, employees not eligible for the open enrollment period, spouses, parents and parents-in-law are required to complete a health application. Mutual of Omaha reserves the right to request additional medical information. As part of the underwriting process, we may request a physician's statement and copies of your medical records. In some cases, a medical exam will be requested at Mutual of Omaha's expense.

20. Coverage is available for parents and step-parents. Can I enroll my mother, father, and my step-mother?

No. Each employee and their spouse is allowed to apply for coverage for one male and one female "parent." You may enroll your father and your mother, or your father and your step-mother or your step-father and your mother.

21. What will happen if I remarry? Can I cover my new spouse?

Yes. Both your new spouse and his or her parents will be eligible to contact Mutual of Omaha directly concerning coverage. Each person will be required to provide proof of insurability by completing a health application and submitting it to Mutual of Omaha.

22. What if I apply for this coverage for my spouse and his or her parents, then we get divorced?

The coverage is guaranteed renewable for all persons, as long as premiums are paid in a timely manner.

Your divorced spouse can continue coverage by paying premiums directly to Mutual of Omaha.

The method of premium payment will not change for your former spouse's parents. They will continue to pay their premiums directly to Mutual of Omaha.>

23. I'm only 32 years old and I'm healthy. Why should I apply for the long-term care plan now? Why not wait until I'm older and more likely to need it?

There are good reasons to apply when you are first eligible.

Your health may change - nobody expects to become disabled, but it can happen to you. If you wait to apply, you may not be able to purchase this valuable coverage at any price.

Premiums are established on an "entry-age" basis. If you enroll at age 32, you will pay the age 32 premium for as long as you remain covered. However, Mutual of Omaha will periodically review the experience of their long-term care insurance participants and may adjust the premium rates for all group long-term care participants.

24. How does the preexisting condition limitation work?

Preexisting conditions are those for which you received any kind of medical treatment in the six-month period prior to the effective date of your coverage. Benefits for services received for preexisting conditions will not be paid for six months after your coverage becomes effective. This means if you purchase coverage and need covered services for a preexisting condition within six months of your effective date, the insurance will not pay benefits for those services received within the first six months of coverage. Benefits will be payable for services received six months after your effective date.

25. If a person has medical conditions the insurance company is not willing to cover, will the coverage be issued with a rider excluding those conditions?

No. The coverage will either be issued or declined.

26. What if I answer "yes" to a health question on the application? Will I be turned down for coverage?

Not necessarily. There are many instances when you might answer "yes" (such as having used crutches or taken prescription medication) which might not make you ineligible for coverage.

27. My father has had some health problems in the past. Does that mean he will be turned down for coverage?

Not necessarily. Underwriting approval is based on many factors. Let's say, for example, your father has high blood pressure. If his blood pressure problem is controlled by medication and he has no other serious health problems, he will probably be accepted. On the other hand, if his blood pressure is not under control or he has a history of erratic blood pressure readings, coverage will probably be declined.

28. My parents have always said they don't want their children to provide for them and I'm reasonably sure they don't have this kind of insurance. Could I purchase this without them knowing?

No, because they have to sign the application and answer medical questions that have to be asked. Your parents must be involved. They don't have to pay for it, but they have to be involved.

Remember, premiums for your parents may not be taken from your paycheck. Premium payment arrangements must be made directly through Mutual of Omaha.

Contact Customer Service

A Mutual of Omaha Long-Term Care Customer Service Representative is available to answer your questions about this plan. Call 800-877-1052, 8 a.m. to 4:30 p.m. Central Time, Monday-Friday, except holidays.

Underwritten by:
Mutual of Omaha Insurance Company
Home Office: Omaha, Nebraska

This information is a summary of some of the principal provisions of the group insurance program offered to members and eligible family members of Sandia National Laboratories. It is not a Contract of Insurance. The complete terms of the program are in Group Policy GMLC-7V83 issued by Mutual of Omaha Insurance Company to Sandia National Laboratories.

Appendix A: Long-Term Care Monthly Rates 5-Year Maximum Benefit

Issue Age	Basic Rate Maximum Daily Benefit		Basic Rate with Automatic Inflation Protection Maximum Daily Benefit	
	\$100	\$150	\$100	\$150
17	7.02	8.10	9.61	11.72
18	7.02	8.10	9.61	11.72
19	7.02	8.10	9.61	11.72
20	7.02	8.10	9.61	11.72
21	7.02	8.10	9.61	11.72
22	7.12	8.24	9.86	12.09
23	7.22	8.40	10.13	12.50
24	7.33	8.57	10.42	12.94
25	7.46	8.76	10.76	13.44
26	7.61	8.98	11.14	14.00
27	7.77	9.23	11.54	14.62
28	7.96	9.51	12.00	15.31
29	8.17	9.82	12.50	16.05
30	8.40	10.17	13.05	16.88
31	8.67	10.57	13.66	17.79
32	8.97	11.01	14.34	18.79
33	9.30	11.52	15.08	19.92
34	9.68	12.09	15.90	21.15
35	10.11	12.73	16.82	22.52
36	10.59	13.45	17.83	24.04
37	11.14	14.27	18.95	25.72
38	11.76	15.20	20.20	27.60
39	12.47	16.26	21.60	29.68
40	13.28	17.48	23.15	32.02
41	14.11	18.71	24.79	34.46
42	15.06	20.14	26.62	37.21
43	16.06	21.64	28.57	40.14
44	17.10	23.21	30.65	43.27
45	18.09	24.68	32.77	46.43
46	19.11	26.22	35.02	49.82
47	20.17	27.80	37.44	53.43
48	21.25	29.42	40.01	57.29

Issue Age	Basic Rate Maximum Daily Benefit		Basic Rate with Automatic Inflation Protection Maximum Daily Benefit	
49	22.61	31.34	43.01	61.79
50	24.15	33.77	46.36	66.81
51	25.94	36.44	50.12	72.44
52	27.99	39.52	54.32	78.74
53	30.37	43.09	59.03	85.82
54	33.02	47.06	64.20	93.57
55	35.99	51.51	69.89	102.09
56	39.34	56.52	76.15	111.47
57	42.99	62.01	82.91	121.62
58	47.16	68.26	90.39	132.84
59	51.81	75.22	98.55	145.07
60	57.18	83.27	107.64	158.69
61	63.15	92.22	117.51	173.49
62	69.87	102.30	128.31	189.69
63	77.51	113.75	140.20	207.52
64	86.15	126.70	153.25	227.08
65	95.90	141.31	167.55	248.51
66	106.89	157.80	183.20	272.00
67	119.16	176.20	200.23	297.54
68	132.90	196.80	218.83	325.43
69	148.21	219.75	239.07	355.78
70	165.41	245.53	261.30	389.09
71	184.76	274.54	285.77	425.78
72	206.46	307.08	312.71	466.18
73	230.96	343.82	342.56	510.96
74	258.51	385.12	375.56	560.42
75	289.29	431.28	411.90	614.93
76	323.29	482.27	451.54	674.38
77	360.72	538.40	494.67	739.06
78	401.53	599.60	541.13	808.73
79	445.56	665.61	590.69	883.04

Appendix B: Long-Term Care Monthly Rates 10-Year Maximum Benefit

Issue Age	Basic Rate Maximum Daily Benefit		Basic Rate with Automatic Inflation Protection Maximum Daily Benefit	
	\$100	\$150	\$100	\$150
17	7.38	8.64	10.39	12.89
18	7.38	8.64	10.39	12.89
19	7.38	8.64	10.39	12.89
20	7.38	8.64	10.39	12.89
21	7.38	8.64	10.39	12.89
22	7.48	8.79	10.67	13.31
23	7.60	8.97	10.98	13.78
24	7.74	9.17	11.34	14.30
25	7.89	9.40	11.73	14.90
26	8.06	9.66	12.17	15.56
27	8.25	9.94	12.65	16.28
28	8.47	10.27	13.20	17.09
29	8.71	10.63	13.79	17.98
30	8.98	11.04	14.43	18.95
31	9.29	11.50	15.16	20.03
32	9.64	12.02	15.95	21.22
33	10.03	12.60	16.83	22.53
34	10.47	13.27	17.80	24.00
35	10.97	14.01	18.88	25.61
36	11.53	14.85	20.08	27.41
37	12.16	15.81	21.40	29.40
38	12.89	16.89	22.89	31.62
39	13.71	18.12	24.53	34.08
40	14.66	19.54	26.38	36.85
41	15.61	20.98	28.29	39.74
42	16.72	22.64	30.46	42.99
43	17.88	24.38	32.77	46.45
44	19.10	26.20	35.24	50.14
45	20.25	27.92	37.74	53.89
46	21.44	29.70	40.41	57.88

Issue Age	Basic Rate		Basic Rate with Automatic Inflation Protection	
	Maximum Daily Benefit		Maximum Daily Benefit	
47	22.67	31.55	43.26	62.17
48	23.93	33.43	46.30	66.72
49	25.50	35.79	49.85	72.05
50	27.30	38.49	53.83	78.01
51	29.37	41.60	58.29	84.71
52	31.76	45.18	63.20	92.22
53	34.54	49.33	68.93	100.65
54	37.62	53.96	75.11	109.93
55	41.07	59.13	81.91	120.12
56	44.96	64.96	89.41	131.37
57	49.22	71.34	97.54	143.56
58	54.07	78.61	106.55	157.06
59	59.47	86.71	116.38	171.81
60	65.72	96.08	127.35	188.26
61	72.67	106.50	139.30	206.17
62	80.49	118.22	152.38	225.79
63	89.37	131.54	166.80	247.41
64	99.43	146.61	182.65	271.17
65	110.76	163.61	200.00	297.20
66	123.56	182.80	219.04	325.75
67	137.83	204.20	239.74	356.79
68	153.82	228.17	262.34	390.68
69	171.63	254.88	286.94	427.57
70	191.63	284.87	313.92	468.03
71	214.14	318.62	343.62	512.57
72	239.39	356.48	376.31	561.59
73	267.90	399.23	412.51	615.88
74	299.95	447.28	452.50	675.83
75	335.77	501.00	496.52	741.86
76	375.33	560.32	544.50	813.80
77	418.88	625.63	596.67	892.05
78	466.36	696.84	652.84	976.29
79	517.58	773.65	712.75	1066.14