

# Long Term Care Insurance

Insured's Guide



**LaCapitale**

Insurance and  
Financial Services





## What if you were no longer able to care for yourself?

Medical advances and better living conditions mean that people are living longer and longer. As such, future retirees need to put aside more significant financial resources as a longer life can mean a higher chance of health setbacks involving financial loss.

Thinking that one day we may no longer be able to handle such basic activities as bathing, dressing, toileting, transferring, continence and feeding may give us more reason to worry about living too long than about dying prematurely.



### Some statistics to consider...

- **1 in 2 Canadians** over age 65 will face a **disability** at some point during their retirement.

Statistics Canada, 2006

- Approximately **300,000 Canadians** are living with the effects of a **stroke**.

Of these stroke victims:

- 15% will die
- 10% will recover completely
- 25% will recover with a minor impairment or disability
- 40% will be left with a moderate to severe impairment
- 10% will be so severely disabled they require long term care

Heart and Stroke Foundation, 2008

- **One in 13 Canadians** over age 65 suffers from **Alzheimer's Disease** or dementia.

Alzheimer's Society, 2007

- In Quebec, **1 in 6 people** receives **some form of home care** through a public institution.

Institut national de santé publique du Québec

- According to Health Canada, 3.9 million Canadians were **age 65 and over** in 2001. By 2021, **this number is expected to swell to 6.7 million people**.

Health Canada, 2008

The aging process cannot be stopped. A 65 year-old man can expect to live another 17 years, and a 65 year-old woman 21. A 75 year-old man can expect to live another 9 years, and a 75 year-old woman 12. But while life expectancy is rising, these extra years are not necessarily accompanied by good health.

## Some of the most common myths... and the reality

**Myth: The government assumes the costs of long term care**

**Reality: The government will only pay for the less well off or provide financial support to low-income individuals only**

The National Population Health Survey (NPHS), conducted in Canada in 1998-1999, revealed that between 80% and 90% of home care provided to people in frail health, or people suffering from chronic illness or a disability was not covered by the State.<sup>1</sup>

Actually, the government only provides financial support for low-income individuals. Otherwise, these costs must be assumed entirely by residents based on their capacity to pay.

In 2008,<sup>2</sup> the required monthly contribution was:

Room with 3 beds:	\$1,543.95
Room with 2 beds:	\$1,787.29
Private room:	\$2,091.45

Most long term care facilities are already full to capacity and their waiting lists grow longer every day. The elderly are not always lucky enough to be able to choose their retirement home. Waiting lists for these establishments can be up to three years long. As for home care, helpful as these visits may be, lack of resources keeps them down to a minimum.

The number of adults who take care of their parents, or who will have to do so in the future could soon rise. This said, we live in a busy world and people do not have as much extra time as they used to, a trend that is expected to continue. The stress created by this combination of less free time and more responsibility needs to be taken into consideration.

**Myth: My group insurance covers these costs**

**Reality: Your group insurance does not cover such costs**

Group insurance plans usually cover the cost of a private hospital room or a room with 2 beds, but do not cover the cost of long term care (LTC). Some contracts may include a long term care clause, but this is generally limited to only 30 to 180 days of care.

**Myth: I'll have enough money to look after myself**

**Reality: The average couple will run through their entire savings in 4 to 7 years if one member of the couple requires long term care.**

To live in a private long term care facility, the price varies according to the type and degree of care required. The least independent residents can expect to pay up to \$5,000 per month.<sup>3</sup>

1. Health Canada, 2008

2. Régie de l'assurance maladie du Québec, 2008

3. Affaires Plus, May 2008

To receive the required home care services, it is sometimes necessary to hire private care providers, which can be costly.

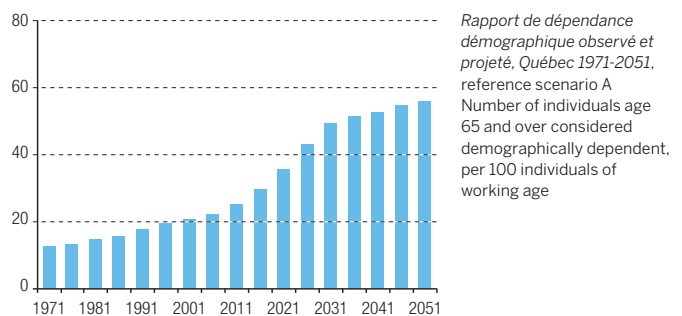
Nurse:	\$40 per hour
Nursing assistant:	\$24 per hour
Orderly:	\$18 per hour

There can also be unforeseen or additional expenses involved, such as the cost of specialized equipment you might need or of adapting parts of your home, for example. The more care we require, the higher the cost.

## The repercussions of an aging population

**As well as a trend towards an older and older population**, there are also fewer and fewer taxpayers to foot the bill.

People age 65 and older constitute the fastest growing segment of the population. By 2025, they are expected to make up 20% of the population. Sixty-five is the age at which most of us retire from the workforce and increased life expectancy at this age means spending many extra years in retirement.



### Will there be enough resources to meet the needs of an aging population?

- With fewer and fewer taxpayers, is it reasonable to expect the government to be able to offer affordable quality health care?
- According to Health Canada, 3.9 million Canadians were age 65 and older in 2001. By 2021, this number will swell to 6.7 million people.  
— *Journal de l'assurance*, January 2008
- There are currently 5 working taxpayers for every elderly person. In 2030, this ratio will be just 2 to 1. People who plan their retirement without considering their future health care needs risk discovering that their plans were inadequate.  
— *La Presse newspaper*, July 2005

## A solution to help you stay on top of things

**Did you know that with adequate long term care insurance you can maintain your dignity while remaining financially and personally independent?**

Long Term Care Insurance provides reassuring protection in the form of tax-free monthly benefits in the event that you enter a state of dependency as defined in the contract.<sup>1</sup> You're free to use your benefits as you see fit, because you don't have to submit any receipts to the insurer, unlike similar coverage available on the market.

### **THIS MEANS THAT YOU CAN:**

- Choose where you want to spend your convalescence (at home or in a private facility)
- Choose the type and frequency of care you want to receive
- Give your spouse and children some time to themselves
- Reduce some wait times and pay for home care if needed
- Avoid becoming a financial and emotional burden
- Make the most of quality time with your family and loved ones rather than depending on them
- Avoid dipping into the family savings you want to leave for your loved ones
- Protect your savings and retirement income
- Quite simply, enjoy a better quality of life.

- Long Term Care Insurance is a monthly benefit plan, **which means that there is no need to provide receipts justifying your expenses.**
- If you receive benefits from the government or another financial institution, **La Capitale will not reduce your benefits in any way.**
- **An Indexation of Benefits Option is available** to protect against inflation

1. See definition on page 6

## Telephone assistance program available to help you at any time

As soon as coverage is effective, La Capitale provides the insured and his or her family members living under the same roof four types of phone assistance:

- **Access to Health Assistance to answer questions regarding your lifestyle and general health**
- **Domestic Assistance** to help you deal with everyday life situations.
- **Home Assistance** to aid you in finding help, referrals, or phone advice from prequalified local home maintenance and repair resources.
- **Legal Assistance** to provide answers to your legal questions. Legal advisors help you understand problems and provide information to help you find appropriate solutions for all types of legal issues, except criminal law.

## Care assistance program

An insured who has entered a state of dependency or suffers a cognitive deficiency can benefit from **Convalescence Assistance** as soon as the qualifying period has ended. At that time, the insured becomes eligible for a **full evaluation** of his or her needs. This evaluation includes health, daily activities, and domestic activities. Following this evaluation, the insured is offered a **customized support program**. On approval of this program, a **coordination service** is offered for the insured including **meetings** with the various resource people involved and negotiation of a service agreement with providers. The program is then monitored regularly based on the insured's needs during the benefit payment period. Fees for services from the various providers may be grouped into a **single monthly bill**.

Insureds who have entered a state of dependency or suffer a cognitive impairment as defined in the contract, as well as their family members living under the same roof may also benefit from **Psychological Assistance** as soon as the qualifying period has ended. This service enables them to contact specialists in person or by phone for help in overcoming the distress caused by the state of dependency. These sessions are paid for by La Capitale and are limited to four (4) for the insured and his or her family members for the duration of the contract.

As soon as the qualifying period has ended, the insurer will provide the insured's contact information to a specialized team who will then contact the insured.

## An overview of Long Term Care Insurance

Long Term Care Insurance pays monthly benefits if the insured enters a state of dependency.

<b>Age at issue</b>	Age 30 to 80 inclusive
<b>Insured amount</b>	Minimum: \$500 Maximum \$10,000 (including indexation, if applicable)
<b>Rates:</b>	Male, female, by band, units of \$100 <ul style="list-style-type: none"> <li>▪ \$500 to \$999</li> <li>▪ \$1,000 to \$1,999</li> <li>▪ \$2,000 to \$10,000</li> </ul> Premiums guaranteed per period of 5 consecutive years
<b>Premium payment period</b>	For life
<b>Coverage period</b>	For life
<b>Elimination period</b>	90 days. Lump sum amount equal to 3 times the monthly benefit paid 30 days after expiry of the elimination period.
<b>Benefit duration</b>	2, 3, or 5 years or for life

### Definitions

<b>State of dependency</b>	State in which the insured is usually incapable, without the assistance of another person, of performing at least two activities of daily living (bathing, dressing, transferring, toileting, continence and feeding) <sup>1</sup> or suffers a cognitive impairment.
<b>Cognitive impairment</b>	Impairment of intellectual functions manifested by an inability to think, perceive, reason, or remember. Cognitive impairment results from Alzheimer's disease and other forms of irreversible senile dementia. Cognitive impairment must meet all of the following conditions: <ul style="list-style-type: none"> <li>▪ Be based on clinical results and deficiency measurement standards</li> <li>▪ Have an organic cause</li> <li>▪ Result in the insured's inability to care for him or herself without the ongoing supervision of another person</li> </ul>

1. See complete definitions for each of these activities in the contract.



### Optional benefits

<b>Plus Option</b>	Premiums are reimbursed <sup>1</sup> upon the death of the insured if no benefits have been paid and the policy has been in force for at least five years.
<b>Indexation option</b>	<p>Monthly benefit indexed at a rate of 2% compounded annually beginning on the 1st policy anniversary date and each anniversary date that follows.</p> <p>Maximum monthly benefit: \$10,000</p>

### Additional no-cost benefits

<b>Waiver of premiums<sup>2</sup></b>	<p>Should the insured become and remain dependent without interruption during the elimination period, La Capitale shall waive payment of any premiums due under this contract after the onset of the state of dependency until the earliest of the following dates:</p> <ul style="list-style-type: none"> <li>▪ Date at which the insured is no longer in a state of dependency</li> <li>▪ End of maximum period of monthly payments</li> </ul>
<b>Care assistance program</b>	<ul style="list-style-type: none"> <li>▪ <b>As soon as your policy comes into force</b>, you can take advantage of four types of telephone assistance: Health Assistance, Legal Assistance, Domestic Assistance and Home Assistance.</li> <li>▪ <b>During a period of dependency</b>: Care Assistance (convalescence and psychological assistance).</li> </ul>
<b>Succession Advantage<sup>3</sup></b>	<p>This benefit provides for the reimbursement of legal fees and expenses of up to \$1,000,<sup>2</sup> for the duration of the contract, for liquidating the insured's estate, probating the insured's will, arranging for protective supervision of a person of full age (adult guardianship) or certifying a mandate of incapacity or power of attorney for the insured. Please note that a power of attorney must be provided in anticipation of possible incapacity.</p>

1. Excluding policy fees, where applicable

2. Some conditions, exclusions, and restrictions apply

3. Available in Quebec only

To determine whether you may be eligible for Long Term Care coverage, you must answer **NO** to all of the questions below.

	YES	NO
1. Are you currently receiving disability or workers' compensation benefits?	<input type="radio"/>	<input type="radio"/>
2. Are you currently receiving, or has it been recommended that you receive home care or care in a rehabilitation day centre?	<input type="radio"/>	<input type="radio"/>
3. Have you ever been treated by a physician for, or been told that you have any of the following disorders:	<input type="radio"/>	<input type="radio"/>
a) Immune system disorder, including Acquired Immunodeficiency Syndrome (AIDS), AIDS-related syndrome or positive test results for human immunodeficiency virus (HIV)?	<input type="radio"/>	<input type="radio"/>
b) Paralysis, multiple sclerosis, muscular dystrophy, Parkinson's disease?	<input type="radio"/>	<input type="radio"/>
c) Alzheimer's disease, senility, dementia, chronic memory loss or other cerebral disorder?	<input type="radio"/>	<input type="radio"/>
d) Huntington's Chorea or amyotrophic lateral sclerosis (Lou Gehrig's disease)?	<input type="radio"/>	<input type="radio"/>
e) Amputation of any part of your body due to illness?	<input type="radio"/>	<input type="radio"/>
f) Kidney failure or cirrhosis?	<input type="radio"/>	<input type="radio"/>
g) More than one cerebrovascular accident (stroke) or transient ischemic attack in the last 2 years?	<input type="radio"/>	<input type="radio"/>
h) Cancer that has spread from its original site?	<input type="radio"/>	<input type="radio"/>

Your eligibility for insurance will be determined by the insurer once your application is received.

## The telephone interview is serious business!

Once your application is received, a La Capitale evaluator will contact you to arrange a telephone interview at your convenience. This interview should take no longer than 15 minutes.

Some of the questions that you will be asked during this interview may at first seem trivial. But pay attention, because the telephone interview is serious business! It constitutes an important step in the evaluation process of your file. Your answers will have a definite effect on your file and will influence the insurer's decision.

### HOW TO PREPARE FOR THE INTERVIEW

Here are a few examples of the types of information you will be expected to provide the evaluator who performs your telephone interview:

- Complete contact information (name and address) of any doctors you may have consulted in the past five years
- Any additional information concerning your personal medical history if needed
- A list of any medication you may be taking (both prescription and over-the-counter) as well as the dosage
- Any medical equipment you use, if applicable
- Your blood pressure
- Your weight
- Your height
- You will be asked some general questions regarding your job, your leisure activities, and your lifestyle
- You will also be asked to participate in two exercises: a memory exercise and an exercise involving questions about everyday life. Be sure to pay close attention to the memory exercises, even if they seem overly simplistic.

If you are age 70 or older, you may be asked to conduct the interview in person. This may also be the case if you are less than 70 years of age, but your file shows selected events or issues in your personal medical history. In this case, the interview may take approximately one hour.



Guided by the values of mutualism on which it was founded, La Capitale works with people to build, protect and value what they feel counts for their financial security.

**To find out more about the numerous benefits associated with La Capitale's products, contact us or visit our website.**

**[lacapitale.com](http://lacapitale.com)**

This document is not a contract. It merely provides an overview of the coverage available. Only the insurance policy and application may be used to settle legal issues. Contracts are issued by La Capitale Insurance and Financial Services Inc. or by La Capitale Civil Service Insurer Inc.