Planning for your long term care needs is a smart and important decision. By doing so, you are able to decide how to reduce the impact a long term care event would have on you and your loved ones.

MedAmerica’s CareDirections® Contego long term care insurance policy can be a powerful part of your long term care plan. The word “Contego” is a Latin term meaning to cover, shield, protect and defend, which is exactly what we believe our long term care insurance policies can do for our insureds.

As a company dedicated exclusively to offering products designed to protect families against the financial risk of chronic health care costs for over 25 years, long term care insurance is our lifeblood. We have developed considerable expertise, not only in benefit offerings, but more importantly, in how to guide our insureds and their families through the challenges a long term care episode presents.

This brochure offers a brief overview of the CareDirections® Contego product, and also provides insight into how our team at MedAmerica works with our insureds and their families to provide guidance and expertise at claim time. We hope this brochure will provide you with a sense of our company, our commitment and our professionals.
What is Long Term Care?
Long term care is the assistance or supervision you may need when you are unable to perform some of the basic activities of daily living (ADLs) — bathing, dressing, eating, continence, toileting, and transferring. You may also need help due to a severe cognitive impairment such as Alzheimer's disease or dementia. The need for long term care can occur at any age and may result from accidents, illness, strokes, or simply the effects of aging.

Where Are Long Term Care Services Provided?
Long term care can be received at home, in the community, or in an assisted living or nursing facility.

Who Pays for Long Term Care?
Most traditional long term care expenses are paid with personal or family assets. Neither traditional medical insurance nor Medicare pays for most long term care services, and Medicaid does not pay unless the individual qualifies for welfare assistance.

Why Consider Long Term Care Insurance?
Many people don’t think about how the need for long term care could impact them and their family. If you needed long term care, how would that impact you and your loved ones? Long term care insurance can be a practical and affordable way to help pay for long term care services and a powerful asset to secure the services you desire. It can help you maintain your independence, maintain control over how you spend your savings, and have more choice in who provides your care and where you receive it.

How Much Coverage is Right for You?
There is no way to predict whether you will need long term care in the future, and if you do need care, there is no way to determine how long you will need it. While statistics and averages can help with the planning process, any plan you and your insurance representative design should take into account known family health history, family longevity and your personal preferences for where you would like to receive care.
Contego’s Core Benefits*:

Keeping Your Options Open
Contego provides benefits for care received in a variety of settings, including home health care, adult day care, assisted living facilities, and nursing homes, helping to keep your options open if you need long term care. The policy can help maintain your freedom of choice in determining how and where you receive care. Contego’s built-in home health care benefits can help you remain in the comfort and privacy of your own home.

“Pool of Money” Benefit Structure to Provide Flexibility
Contego uses a “Pool of Money” approach in providing benefits. Your maximum lifetime benefit, or pool of money, is determined by choosing a maximum daily benefit amount and multiplying that amount by the benefit duration, or number of days you wish to have coverage.

Example:
If you choose a $100 maximum daily benefit and a 1,095 day (3 year) benefit duration, your pool of money would be calculated as follows:

$100 × 1,095 days = $109,500
maximum lifetime benefit

If the benefit payments you require are less than your daily benefit amount, your benefits will last until your pool of money is exhausted.

National Average Cost of Care1

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
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<tbody>
<tr>
<td>$19/hour for homemaker services</td>
<td></td>
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<tr>
<td>$20/hour for a home health aide</td>
<td></td>
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<tr>
<td>$65/day for care in an adult day health care center</td>
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</tbody>
</table>

* Refer to Outline of Coverage for benefit details
Did You Know?²

Someone turning age 65 today has almost a 70% chance of needing some type of long term care in the future.

Meet Jenn Obstarczyk, MedAmerica Personal Care Advisor

Jenn is motivated by her desire to help families. One of her favorite experiences at MedAmerica involves working with a man she refers to as “my Jerry.” He and his wife were living in a retirement community and she was suffering from Alzheimer’s disease. “He was struggling to take care of her. He called me one day from the emergency room to tell me that I wouldn’t be able to reach him for a few days because he was having a heart attack.” Jenn helped Jerry through the process of putting his wife in an assisted living facility, as he realized he could no longer care for her. “Jerry stayed positive throughout the ordeal. He is the most incredible, inspirational man I have ever dealt with in my life.”

On average, women need care (3.7 years) longer than men (2.2 years).

$3,500/month for care in an assisted living facility (one-bedroom unit)

$77,380/year for a semi-private room in a nursing home

$87,600/year for a private room in a nursing home

Built-In Benefit Features with You in Mind*

**Advance Payment for Assisted Living Facility and Nursing Home Care**

Benefits for care received in a nursing home or assisted living facility are paid upon receipt of a facility invoice **up to one month in advance of receiving services**. This unique feature helps minimize the impact care costs can have on family cash flow. We have you **covered**!

**Cash Benefit for Hospice Care Program**

We understand how stressful it can be for your family during those final moments. That is why we built a Hospice Care benefit that provides a cash payment at the beginning of each month you remain admitted to a Hospice Care Program, for up to six months. **Shield** your loved ones from financial stress.

**Restoration of Benefits**

This feature is designed to **protect** your benefits by preventing an early chronic health care episode from eroding benefits you may need in the future. We will restore your policy’s maximum lifetime benefit to the full amount that would have been available to you had no benefits been paid.**

**Waiver of Premium**

To **defend** your income stream, your long term care insurance premiums will be waived on a monthly basis, starting on the first day we pay benefits for nursing home, assisted living facility, home health care, adult day care, or hospice program services.

* Refer to Outline of Coverage for benefit details
** One time only, provided you did not receive greater than 180 days of policy paid services and a period of 180 consecutive days has elapsed in which you are not eligible for or being paid benefits because you are no longer chronically ill.
Meet Helena Keen, BSW
MedAmerica Personal Care Advisor

Going above and beyond to help policyholders and their families is all too familiar for Helena Keen. One recent example involved Pam Huntoon’s mother, Genevieve, who was exhibiting early signs of Alzheimer’s disease. What worried the family most was the likelihood that Genevieve and her husband, Fabian, could no longer live together. Right away, Helena made it her mission to not only help Pam’s mother age comfortably, but also to assure that she and Fabian would never live apart. Helena went beyond typical case management to help, finding an adult day care program specializing in memory care for Genevieve and orchestrating a move into an assisted living facility that allowed Fabian to stay with her. “Keeping Genevieve and Fabian together made this case so special,” said Helena. “I felt like I was a part of what was going on. When Genevieve passed, I was sad, too. Although I never met her in person, I felt connected to this family because we had gone through so much together.”
Designing Your Contego Policy

4 Key Decisions

Daily Benefit Amount

Choose the maximum benefit amount you want for covered long term care expenses on a daily basis. You may choose an amount between $50* and $400 a day (in $10 increments).

Benefit Duration

The benefit duration is the minimum amount of time you wish to receive benefits. Contego offers benefit durations of 1, 2, 3, 4, 5 or 6 years.** It is also a multiplier used to calculate your maximum lifetime benefit, or pool of money, which is the total amount of benefits available to pay for covered long term care services while your policy is in force.

For example:
- Minimum Pool of Money:
  $50 a day x 1 year (365 days) = $18,250
- Maximum Pool of Money:
  $400 a day x 6 years (2,190 days) = $876,000

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* Minimum Daily Benefit is $60 in WI; $80 in VT
** 1 year benefit duration not available in MD, MA and OK.
Meet Mary Jane Maltese, RN
MedAmerica Personal Care Advisor

Mary Jane Maltese has said, “I especially enjoy being an advocate for the elderly and disabled. It’s been one of the most rewarding parts of my job.” One of Mary Jane’s most memorable cases involved an 82-year-old man living alone on his dairy farm in Kansas. “He was a very sweet and proud man who found it difficult to ask for help,” said Mary Jane. He was worried he was going to be taken off his farm because he couldn’t care for himself anymore, so Mary Jane immediately contacted his primary care doctor, notified the local Office of Aging, and connected him with a case manager so he could get nursing services, a hospital bed and additional equipment for his home. “He was very appreciative of what I did for him,” said Mary Jane. Most importantly, he was able to maintain his dignity throughout the whole ordeal.

Elimination Period

Choose an elimination period, which is similar to a deductible. The elimination period is the time period during which you must pay for your own care without being reimbursed by the policy. The shorter your elimination period, the earlier you may begin receiving benefits. However, policies with a longer elimination period have lower premiums.

Contego offers Calendar Day and Service Day Elimination Periods of 30, 60, 90, 100, 180 or 365 days.*

A Calendar Day Elimination Period begins with the first day you receive a covered long term care service and counts each day following.

A Service Day Elimination Period only counts on days you receive services.

Inflation Protection

As is true of all other products and services, the cost of long term care services goes up over time. Contego gives you the ability to select an optional benefit that helps your coverage keep up with the rising cost of care by growing your daily benefit and pool of money. There are 6 inflation protection options available with Contego, including:

Simple Inflation
Increases your original maximum daily benefit and maximum lifetime benefit annually by 3% or 5%.

Compound Inflation
Increases your maximum daily benefit and current maximum lifetime benefit annually by 2%, 2.5%, 3% or 5%.

* 180 and 365 Day Elimination Periods not available in VT.
Enhance Your Coverage*

In addition to the built-in benefits available to you under the core program, Contego also allows you to enhance your benefit package with the features outlined below.

Return of Premium Riders

These options add a benefit to your policy that will return all or a portion of the premiums paid for your policy to your estate upon your death. Refer to the Contego Outline of Coverage for complete details.

Monthly Home Health Care and Adult Day Care Rider

This option makes your Home Health Care and Adult Day Care benefits available on a monthly rather than a daily basis. Because the charges for home health care services may vary from day to day, this option allows you to maximize the entire benefit as needed during the month. This feature allows you more flexibility in scheduling care by allowing multiple services to be scheduled in a single day without limiting your benefits to a daily maximum.

Zero Day Elimination Period for Home Health Care and Adult Day Care

This rider allows you to access benefits for care in home and community settings without having to meet an elimination period.

Non-forfeiture Shortened Benefit Period Rider

Should you decide to stop paying your premium at some point in the future, this rider allows you to keep coverage in force, without future premium payments, for a benefit equal to the total amount of premium you have paid into the policy.

Spousal Advantage Package

Options for Couples and Domestic Partners

Contego offers a Spousal Advantage Package to maximize the value of Contego for couples. If both spouses/domestic partners choose identical benefits, they can also opt for the following riders, either as a package, or a la carte:

Shared Care Rider

This rider allows one spouse or domestic partner who has used up all of the benefits under their policy to access partial benefits under their spouse’s or domestic partner’s policy.

Shared Waiver Rider

If one spouse or domestic partner qualifies for Waiver of Premium, the other spouse/domestic partner will also have their premium waived.

Survivor Benefit Rider

This rider waives the premium due for the surviving spouse/domestic partner when a spouse or domestic partner dies after both have paid premiums for a minimum of 10 years.

* Refer to Outline of Coverage for benefit details.
Choosing a Contego plan is simple. Check out these pre-defined benefit packages,* or work with your agent to build a customized plan.

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<thead>
<tr>
<th></th>
<th>Essential Care</th>
<th>Classic Care</th>
<th>Signature Care</th>
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<tbody>
<tr>
<td><strong>Maximum Daily Benefit</strong></td>
<td>$50 - $200; in $10</td>
<td>$100 - $300; in $10</td>
<td>$150 - $400; in $10</td>
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<tr>
<td></td>
<td>Increments</td>
<td>Increments</td>
<td>Increments</td>
</tr>
<tr>
<td><strong>Maximum Home Health Care &amp; Adult Day Care Benefit</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Benefit Duration</strong></td>
<td>365 Days (1 Year) or 730 Days (2 Years)</td>
<td>730 Days (2 Years) or 1,095 Days (3 Years)</td>
<td>1,460 Days (4 Years) or 1,825 Days (5 Years)</td>
</tr>
<tr>
<td><strong>Elimination Period Method</strong></td>
<td>Service Day</td>
<td>Service Day</td>
<td>Calendar Day</td>
</tr>
<tr>
<td><strong>Elimination Period Days</strong></td>
<td>90 Days</td>
<td>90 Days</td>
<td>60 Days or 90 Days</td>
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<tr>
<td><strong>Inflation Option</strong></td>
<td>None</td>
<td>3% Simple or 2%</td>
<td>3% Compound or 5%</td>
</tr>
<tr>
<td></td>
<td>Compound</td>
<td>Compound</td>
<td>Compound</td>
</tr>
<tr>
<td><strong>Premium Payment Option</strong></td>
<td>Lifetime</td>
<td>Lifetime</td>
<td>Lifetime or 10 Pay</td>
</tr>
<tr>
<td><strong>Spousal Advantage Package</strong></td>
<td>Not Available</td>
<td>Available</td>
<td>Available</td>
</tr>
<tr>
<td><strong>Spousal Advantage Package</strong></td>
<td>(Includes All 3)</td>
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<td></td>
<td>• Shared Care Rider</td>
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<td></td>
<td>• Shared Waiver Rider</td>
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<td></td>
<td>• Survivor Benefit Rider</td>
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<tr>
<td><strong>Monthly Home Health Care &amp; Adult Day Care Benefit Rider</strong></td>
<td>Available</td>
<td>Available</td>
<td>Available</td>
</tr>
<tr>
<td><strong>Zero Day Elimination Period for Home Health Care &amp; Adult Day Care Rider</strong></td>
<td>Not Available</td>
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<td>Available</td>
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<tr>
<td><strong>Non-Forfeiture Shortened Benefit Period</strong></td>
<td>Not Available</td>
<td>Not Available</td>
<td>Not Available</td>
</tr>
<tr>
<td><strong>Return of Premium</strong></td>
<td>Not Available</td>
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* Not all benefit package options available in all states.
Contego is designed to be a tax-qualified long term care insurance policy that meets federal standards and may qualify you for federal and/or state tax benefits. Please consult with your tax advisor for assistance. Coverage as described in the brochure is provided only through the issuance of a policy and is subject to underwriting and approval of your application. This brochure provides a summary of the policy’s features and is not intended to cover every aspect of the policy. Please refer to the outline of coverage for additional information. Benefits are subject to the policy’s eligibility for the payment of benefits provision; the elimination period, if applicable; the maximum daily benefit; and the maximum lifetime benefit. Your policy will describe your coverage in detail and will be the sole basis of making benefit determination. This policy has exclusions. For costs and complete details of the coverage, call your insurance producer or MedAmerica Insurance Company. MedAmerica has the right to raise premiums on this product, but only if we change the premium for all similar policies. You cannot be singled out for any increase because of a change in your age or health.