

## Comparison of Long-Term Care (LTC) Insurance Plans City of San Jose Current LTC Insurance Plan and New Prudential LTC Insurance Plan

Insurance Plan Features	Current Prudential LTC Insurance Plan	New Prudential LTC Insurance Plan
<b>Eligible Participants</b>	Full-Time and Part-Time Employees working at least 20 hours per week, their spouse, domestic partner, registered domestic partner, parent/parent-in-law, grand-parent/grandparent-in-law, retiree and retiree's spouse, and parents of retirees.	Full-Time and Part-Time Employees working at least 20 hours per week, their spouse, domestic partner, registered domestic partner, parents/parents-in-law, grandparents/grandparents-in-law, <b>adult child(ren) and adult child(ren)'s spouse</b> . Retirees, their spouse or <b>domestic partner, and adult child(ren) and spouse of adult child(ren)</b> .
<b>Age Range to Apply</b>	18 through 84.	18 through 84. Current insureds over age 84 receiving this offer may transfer.
<b>Benefit Eligibility</b>	You are eligible to receive benefits if you are assessed by an <b>Assessor</b> and confirmed as having a Chronic Illness or Disability. A Chronic Illness or Disability is one in which there is 1) A loss of the ability to perform, without Substantial Assistance, at least two Activities of Daily Living. This loss must be expected to continue for 90 days. Activities of Daily Living are Bathing, Continence, Dressing, Eating, Toileting, and Transferring. Or 2) A severe Cognitive Impairment which requires Substantial Supervision to protect you from threats to health or safety.	You are eligible to receive benefits if you are assessed by a <b>Licensed Health Care Practitioner</b> and confirmed as having a Chronic Illness or Disability. A Chronic Illness or Disability is one in which there is 1) A loss of the ability to perform, without Substantial Assistance, at least two Activities of Daily Living. This loss must be expected to continue for 90 days. Activities of Daily Living are Bathing, Continence, Dressing, Eating, Toileting, and Transferring. Or 2) A severe Cognitive Impairment which requires Substantial Supervision to protect you from threats to health or safety.
<b>Daily Benefit Maximum (DBM) Amount</b>	Your Daily Benefit Maximum is the maximum dollar amount the insurance plan will pay for any single day's covered expenses. (\$100/\$150/\$200/ \$250 or \$300 DBM)	Your Daily Benefit Maximum is the maximum dollar amount the insurance plan will pay for any single day's covered expenses. (\$100/\$175/ \$225 or \$300 DBM)  <b>Current insureds may retain his/her current Daily Benefit Maximum Amount upon transfer to the new insurance plan.</b>
<b>Lifetime Maximum</b>	The Lifetime Maximum is equal to the Daily Benefit Maximum for Nursing Home Care times 365 days times the number of years for your plan. A Five Year and a Ten Year plan option:  5 year = \$182,500; \$273,750; \$365,000; \$456,250 or \$547,500  10 year = \$365,000; \$547,500; \$730,000; \$912,500 or \$1,095,000	The Lifetime Maximum is equal to the Daily Benefit Maximum for Nursing Home Care times 365 days times the number of years for your plan. A Five Year and a Ten Year plan option:  3 year = \$109,500; \$191,625; \$246,375 or \$328,500  5 year = \$182,500; \$319,375; \$410,625 or \$547,500  10 year = \$365,000; \$638,750; \$821,250 or \$1,095,000

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<p><b>Benefit Payout:</b></p> <ul style="list-style-type: none"> <li>• Nursing Home or Hospice Facility</li> <li>• Residential Care Facility (RCF)</li> <li>• Home Care (HC): Adult Day Care, Home Health Care, Homemaker Services, Personal Care, and Hospice Care (Non-Institutional under Current LTC insurance plan)</li> </ul>	<p><b>Covered Expenses up to:</b></p> <ul style="list-style-type: none"> <li>• 100% of DBM</li> <li>• 75% of DBM</li> <li>• 50% of DBM</li> </ul> <p>You must satisfy the Benefit Waiting/Elimination Period before benefits are reimbursed.</p>	<p><b>Covered Expenses up to:</b></p> <ul style="list-style-type: none"> <li>• 100% of DBM (includes Institutional and Non-Institutional Hospice Care)</li> <li>• 100% of DBM</li> <li>• 50% of DBM*</li> <li>• 75% of DBM for new enrollees</li> </ul> <p>You must satisfy the Benefit Waiting/Elimination Period before benefits are reimbursed.</p> <p>* Current Insured may elect to increase the HC Benefit to 75% of DBM by completing a paper enrollment form.</p>
<p><b>Cash Alternative Benefit</b></p>	<p>None.</p>	<p><b>NEW—Included in Insurance Plan:</b> Under this provision, at your option, your Coverage will pay a monthly fixed benefit to you in lieu of reimbursement for Eligible Charges for Home Care as stated above. The Cash Alternative Daily Benefit is payable for each day in the month in which you have a Chronic Illness or Disability, after you satisfy the Benefit Waiting/Elimination Period. The Cash Alternative Daily Benefit is equal to 50% of your Daily Maximum for Home Care. The Cash Alternative Daily Benefit is subject to the following: 1) You must meet the Benefit Eligibility Criteria; 2) You can only elect this benefit on a monthly basis; 3) It is in lieu of any other Institutional Care or Home Care benefits payable for that month. This benefit is subject to the Benefit Waiting/Elimination Period and reduces your Lifetime Maximum.</p>
<p><b>Informal Care Benefit</b></p>	<p>None.</p>	<p><b>NEW:</b> The Cash Alternative Benefit above may be used for informal care services.</p>
<p><b>Informal Caregiver Training</b></p>	<p>None.</p>	<p><b>NEW:</b> Coverage is provided for training if someone will be providing care for the insured and requires training in how to be a caregiver. Benefits for Eligible Charges will be paid up to \$500.</p> <p>No Benefit Waiting/Elimination Period applies to Caregiver Training benefits, but benefits reimbursed will reduce your Lifetime Maximum.</p>

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<b>Bed Reservation</b>	This benefit reserves the Nursing Home bed if you require a hospital stay. Benefits for eligible charges will be reimbursed for up to <b>20 days per hospital stay</b> . This benefit is subject to the Benefit Waiting/Elimination Period and reduces your Lifetime Maximum.	This benefit reserves the Nursing Home bed or <b>a bed in a Residential Care Facility</b> if you require a stay in an acute care facility for 24 hours or more. Benefits for eligible charges will be reimbursed for up to <b>21 days per hospital stay</b> . This benefit is subject to the Benefit Waiting/Elimination Period and reduces your Lifetime Maximum.
<b>Hospice Care</b>	<b>100% of the eligible charges are reimbursed up to the Daily Benefit Maximum for inpatient Hospice Care. Non-institutional Hospice Care is reimbursed at 100% of the Daily Maximum Benefit for Home Care.</b> This benefit is not subject to the Benefit Waiting/Elimination Period but will reduce your Lifetime Maximum.	<b>100% of the eligible charges are reimbursed up to the Daily Benefit Maximum for Hospice Care (both inpatient and non-institutional).</b> This benefit is not subject to the Benefit Waiting/Elimination Period but will reduce your Lifetime Maximum.
<b>Respite Care</b>	This benefit provides relief for a family member who normally provides unpaid care to the insured. <b>This benefit reimburses up to 20 days of respite care per calendar year, and benefits are reimbursed according to the type of service rendered.</b> If services are received in an institutional setting benefits would be reimbursed up to the Nursing Home Daily Maximum Benefit. If services are received in a non-institutional setting benefits would be reimbursed up to the Daily Maximum Benefit for Home Care. This benefit is not subject to the Benefit Waiting/Elimination Period but will reduce your Lifetime Maximum.	This benefit provides relief for a family member who normally provides unpaid care to the insured. This benefit reimburses up to <b>21 days of respite care per calendar year, and benefits are reimbursed up to the Nursing Home Daily Maximum Benefit regardless of where services are rendered.</b> This benefit is not subject to the Benefit Waiting/Elimination Period but will reduce your Lifetime Maximum.
<b>Private Care Management</b>	Provides coverage for a Private Care Manager to provide information, resources or to coordinate your Long Term Care. You must first meet the Benefit Eligibility Criteria in order to use this benefit. Benefits for Eligible Charges will be reimbursed up to <b>6 times</b> the Daily Benefit Maximum per calendar year. No Benefit Waiting/Elimination Period applies to Private Care Management benefits, but benefits reimbursed will reduce your Lifetime Maximum.	Provides coverage for a Private Care Manager to provide information, resources or to coordinate your Long Term Care. You must first meet the Benefit Eligibility Criteria in order to use this benefit. Benefits for Eligible Charges will be reimbursed up to <b>12 times</b> the Daily Benefit Maximum per calendar year. No Benefit Waiting/ Elimination Period applies to Private Care Management benefits, but benefit reimbursement will reduce your Lifetime Maximum.
<b>Transitional Care Benefit</b>	This Lifestyles Changes Benefit allows you to be reimbursed for expenses for home modifications such as a medical alert system enabling you to remain independent in your home. This lifetime benefit is equal to <b>5 times the Daily Benefit Maximum</b> . This benefit is not subject to the Benefit Waiting/Elimination Period but will reduce your Lifetime Maximum.	This Personal Emergency Response/Home Modifications Benefit (Lifestyles Changes Benefit under current coverage) allows you to be reimbursed for expenses for home modifications or a personal emergency response system enabling you to remain independent in your home. This lifetime benefit is equal to <b>50 times the Daily Benefit Maximum</b> . This benefit is not subject to the Benefit Waiting/Elimination Period but will reduce your Lifetime Maximum.

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<b>Alternate Plan of Care Benefit</b>	None.	<p>Due to emerging trends on the delivery of long-term care, this insurance plan takes into account the current institutional and Home Health Care Based Care settings that are available.</p> <p>Prudential will consider a claim for benefits for care received in an alternate setting or non-institutional services designed to help an eligible person remain independent in his or her home.</p> <p>Determination of your eligibility for this benefit and the benefit amount will be made on an individual basis at the sole discretion of Prudential. To qualify, such care must be considered a qualified long-term care service within the meaning of Internal Revenue Code 7702B.</p>
<b>Benefit Waiting/ Elimination Period</b>	<p>A 60-Day Benefit Waiting/ Elimination Period must be met once during your lifetime before benefits can be reimbursed. This Insurance Plan has one combined Benefit Waiting/ Elimination for all covered services to which it applies. <b>This is a period counted in calendar days, which begins on the date you contact Prudential to arrange for an assessment (assuming you are determined to be eligible for benefits).</b> You do NOT need to incur charges to satisfy the Benefit Waiting/ Elimination Period. The Benefit Waiting/ Elimination Period can be satisfied over multiple periods of Chronic Illness or Disability. No benefits are payable during the Benefit Waiting/ Elimination Period for charges for which the Benefit Waiting/ Elimination Period applies.</p> <p><b>Note: There is no Benefit Waiting/ Elimination Period for Hospice Care, Respite Care, Information and Referral Services, Private Care Management and Lifestyles Changes.</b></p>	<p>A 60-Day Benefit Waiting/ Elimination Period must be met once during your lifetime before benefits can be reimbursed. This Insurance Plan has one combined Benefit Waiting/ Elimination for all covered services to which it applies. <b>This is a period counted in calendar days, which begins on the date you are assessed and that assessment results in eligibility for benefits.</b> You do NOT need to incur charges to satisfy the Benefit Waiting/ Elimination Period. The Benefit Waiting/ Elimination Period can be satisfied over multiple periods of Chronic Illness. No benefits are payable during the Benefit Waiting/ Elimination Period for charges for which the Benefit Waiting/ Elimination Period applies.</p> <p>Note: There is no Benefit Waiting/ Elimination Period for Hospice Care, Respite Care, Information and Referral Services, Private Care Management and Personal Emergency Response / Home Modifications Benefit.</p>
<b>Restoration of Benefits</b>	None.	<p><b>New:</b> All benefits paid under this Coverage are deducted from your Lifetime Maximum (unless otherwise indicated). However, your Lifetime Maximum benefit may be restored. If as a result of a reassessment, you have no limitations performing an Activity of Daily Living or Cognitive Impairment, and you do not attempt to access benefits, submit a claim, or incur Eligible Charges for a period of six (6) consecutive months from the date of reassessment, your Lifetime Maximum benefit will be restored. Your Lifetime Maximum benefit will be restored to the level then in effect as if you had never made a claim or received benefits under this Coverage.</p>

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<b>Future Purchase Inflation Protection</b>	<p><b>Periodic Inflation Protection:</b> Every three years from your effective date with Prudential, you will be given the opportunity to purchase additional coverage to keep up with the rising costs of long-term care. No evidence of insurability is required as long as you have not declined two consecutive periodic inflation offers. This offer will be made only if you have not elected the Automatic Inflation Option.</p>	Same as current coverage.
<b>Automatic Compound Inflation Protection Optional Benefit</b>	This benefit option allows benefits to increase automatically by 5% compounded annually while your premiums are level based on the original issue age. You needed to elect this option at time of enrollment which was available at an additional cost. If you did not elect this option your coverage includes a periodic inflation increase at least every three years.	<b>NEW—Available at an additional cost</b> or Same as current coverage. This benefit option will allow benefits to increase automatically by 5% compounded annually while your premiums are level based on original issue age. There is an additional cost for this option and you must elect this option at time of enrollment. If this option is not elected, Prudential will offer a periodic inflation increase at least every three years.
<b>Premium Waiver</b>	<p><b>The premium for your coverage will be waived beginning the first day of the month following the date you satisfy the required Benefit Waiting/Elimination Period and begin to receive benefits for Nursing Home Care, Home Care, Hospice Care or Bed Reservations.</b> Premiums will again become due as of the first day of the month following the month in which you no longer meet the Benefit Eligibility Criteria.</p> <p><b>This waiver does not apply if you only incurred eligible charges for Respite Care, Lifestyle Changes (see Transitional Care Benefit), Private Care Management or Information and Referral Services.</b></p>	<b>The premium for your coverage will be waived beginning the first day of the month following the date you meet the Benefit Eligibility Criteria and satisfy the required Benefit Waiting/Elimination Period.</b> Premiums will again become due as of the first day of the month following the month in which you no longer meet the Benefit Eligibility Criteria.
<b>Coordination of Benefits</b>	The purpose of this Long-Term Care Coverage is to help you be reimbursed for covered expenses, but not for more than you actually incur. To do this, Prudential coordinates its benefit reimbursements with certain other coverages you may have that provide benefits for the same services covered by this Long-Term Care Coverage. Other coverages include other Group LTC coverage, government programs (other than Medicare and Medicaid), and group medical coverages.	Same as current coverage.

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<b>Contingent Non-Forfeiture</b>	None.	<b>New:</b> This feature applies only if your coverage does not include the Non-Forfeiture provision described above. This feature automatically provides a Non-Forfeiture Benefit if premium rates are increased by Prudential by more than certain allowable percentages. In that event, you will be able to: 1) continue coverage at current benefit levels by paying the new premium amount; 2) lapse your coverage and retain a reduced lifetime maximum with no further premium payments; or 3) decrease your coverage and keep the policy in effect on a premium paying basis. The contingent benefit and the threshold amounts are described in the 2000 NAIC Long-Term Care Insurance Model Regulation.
<b>Return of Contribution at Death</b>	<p>If you die before the age of 74, a portion of the premiums may be refunded to your spouse, if applicable, otherwise to your estate. The percentage of premiums to be refunded is based on your age at death.</p> <p>The refund will be the total premiums you paid (including any premiums paid on your behalf by your employer) times the percentage below and then reduced by any benefits paid by Prudential.</p> <p><b>Age and Percent of Premium:</b></p> <p>Age 64 and Under: 100%</p> <p>65: 90%            70: 40%</p> <p>66: 80%            71: 30%</p> <p>67: 70%            72: 20%</p> <p>68: 60%            73: 10%</p> <p>69: 50%            74: 0%</p>	Same as current coverage.
<b>International Benefit</b>	None.	<p><b>New:</b> Benefits for Eligible Charges for care you receive outside the United States will be paid up to 100% of your Daily Benefit Maximum for Nursing Home Care or Daily Maximum for Home Health Care, according to the services you use. Payment of International Coverage benefits is limited to 365 days during which Eligible Charges are incurred over the lifetime of the coverage. Benefits will be paid in U.S. currency. You must satisfy the Benefit Waiting/Elimination Period before benefits are payable.</p> <p><b>Exclusion for services and supplies outside the United States does not apply to the International Coverage benefit.</b></p>

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<b>Direct Bill Modal Premium Discounts</b>	11.2% for Annual Mode 5.73% for Semi-Annual Mode 2.93% for Quarterly Mode 1.00% for Monthly Mode	5.6% for Annual Mode 2.8% for Semi-Annual Mode
<b>Rate Guarantee</b>	Prudential guarantees to continue rates through 5/31/2013.	Prudential guarantees to continue rates through 12/31/2015.
<b>Portability</b>	Allows you to continue your coverage at the same premium rate if you retire, leave your job, or the Group Contract Holder withdraws sponsorship of the Group Contract and does not replace it within 31 days of the date the coverage would otherwise end. This applies as long as you have not exhausted your Lifetime Maximum Benefits.	Same as current coverage.
<b>Cash Benefit Option</b>	<b>Insured Must Have Elected this Option:</b> Many people prefer the flexibility of cash benefit payments as opposed to a benefit that reimburses for bills already paid. Electing this option, will allow the insured to receive a monthly benefit cash payment equal to the Home Care Daily Maximum elected, times 30, without having to incur formal expenses. A plan of care is required to take advantage of this benefit. The cash benefits received can be used at one's own discretion. Since benefits paid under this optional benefit are made without regard to costs incurred by the insured, part of the benefits could be considered taxable income. The Insured should consult a tax advisor for more information concerning any possible tax implications. There is an additional premium for this option.	Same as current coverage.

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<b>Exclusions</b>	<p>Work-Connected Conditions Charge: A charge covered by a workers' compensation law, occupational disease law or similar law.</p> <p>Government Plan Charge: A charge for a service or supply:</p> <ul style="list-style-type: none"> <li>a) furnished by or for the United States government or any other government, unless payment of the charge is required by law; or</li> <li>b) to the extent that the service or supply, or any benefit for the charge, is provided by any law or governmental plan under which the patient is or could be covered. This (b) does not apply to a state plan under Medicaid or Medi-Cal or to any law or plan when, by law, its benefits are excess to those of any private insurance program or other non-governmental program. When this (b) applies to Medicare, the benefits provided by Medicare will be deemed to include any amount that would have been payable by Medicare in the absence of a deductible or coinsurance requirement under that program.</li> </ul> <p>War: Charges for a condition due to war or any act of war while you are insured. "War" means declared or undeclared war and includes resistance to armed aggression.</p> <p>Self-Inflicted Injury or Suicide: Charges arising from intentionally self-inflicted injury or attempted suicide, while sane or suffering from inorganic based insanity.</p> <p>Services and Supplies Outside the United States: Charges for services or supplies outside of the United States and its possessions.</p> <p>Close Relative: Charges for services and supplies furnished and charged for by a close relative other than a licensed professional who provides covered services within the terms of his or her licensure. Close relatives include you, your spouse, or a child, grandchild, brother, sister, or a parent of you or your spouse.</p> <p>Services or Supplies Normally Furnished Without Charge: Services or supplies for which no charge would be made in the absence of Coverage.</p>	<p>Work-Connected Conditions Charge: A charge covered by a workers' compensation law, occupational disease law or similar law.</p> <p>Government Plan Charge: A charge for a service or supply:</p> <ul style="list-style-type: none"> <li>a) furnished by or for the United States government or any other government, unless payment of the charge is required by law; or</li> <li>b) to the extent that the service or supply, or any benefit for the charge, is provided by any law or governmental plan under which the patient is or could be covered. This (b) does not apply to a state plan under Medicaid or to any law or plan when, by law, its benefits are excess to those of any private insurance program or other non-governmental program. When this (b) applies to Medicare, the benefits provided by Medicare will be deemed to include any amount that would have been payable by Medicare in the absence of a deductible or coinsurance requirement under that program.</li> </ul> <p>War, Felony, Riot or Insurrection: Charges for a condition due to war or any act of war while you are insured or due to your participation in an act of felony, riot or insurrection. "War" means declared or undeclared. "Riot" means a wild, violent, public disturbance of the peace.</p> <p>Self-Inflicted Injury or Suicide: Charges arising from intentionally self-inflicted injury or attempted suicide.</p> <p>Services and Supplies Outside the United States: Charges for services or supplies outside of the United States and its possessions.</p> <p>Treatment for Chronic Alcoholism or Chemical Dependency: Charges in connection with the treatment of chronic alcoholism or chemical dependency.</p>



Insurance Plan Features	Current Prudential LTC Insurance Plan	New Prudential LTC Insurance Plan
<b>Exclusions (continued)</b>	<p>Chronic Alcoholism or Chemical Dependency: Charges in connection with chronic alcoholism or chemical dependency.</p> <p>Other Programs: Charges to the extent they would be covered under any other program paid for in full or in part, directly or indirectly, by the City of San José. This includes insured and uninsured programs. If a program provides benefits in the form of services, the cash value of each service rendered is considered the benefit provided for that service.</p> <p>Felony, Riot or Insurrection: Charges for a condition due to your participation in an act of felony, riot or insurrection.</p> <p>Non-Covered Services: Charges for services and supplies which are not listed as a Covered Service in this Coverage.</p>	

This is a solicitation for long-term care insurance.

This material is for informational purposes only and contains only a partial, general description of plan benefits and does not constitute a contract.

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