

Best and Final Offer Questions

1. **On page 28 of your proposal, you note that you expect to eliminate a number of legacy systems over the next two years. Are any of the major systems, such as eligibility or claims affected by this change? Please provide specifics.**

Prudential eliminated a major legacy system in June of this year (2007) - CMS (Cash Management System). This system was used by our Disability Operation for a number of functions including, but not limited to:

- Administrative Services Only reporting
- Feed to company ledger
- Transactions voiding existing claims
- Feeds to banks

The logic was integrated into the Disability Claims Management System and has worked, and is working, with no reported issues.

2. **Do you remain open to negotiations regarding the performance criteria and standards?**

Yes.

3. **Where is your alternative hardware for system back-up located?**

Fully redundant data centers are located in Roseland, NJ and Fort Washington, PA. Depending on the application, both centers are used as the primary location and alternate location.

4. **Please provide details on how silent call monitoring is used to enhance performance in the various administrative units. Is there a standard process by which calls are selected for monitoring?**

Call monitoring is a significant part of the High Performance Call Coaching Program we have implemented into our customer contact centers. Our program has three main components: Quality evaluation, side-by-side coaching and remote observation. We use these to support the new-hire training process and to enhance the performance of our senior-level Customer Service Professionals.

Below is a brief summary of each of these components:

- **Quality Evaluation**
 - 100% of our customer contact center calls are recorded. A random sampling of these calls are selected for quality review for each Customer Service Professional. We utilize a standard scorecard to evaluate these calls and provide on-going feedback to our staff. Each Customer Service Professional is expected to maintain a 98% score on their monthly individual scorecards. The quality review is performed by our Call Coach Team.
- **Side-By-Side Coaching**
 - As a supplement to our quality evaluation program, we conduct side-by-side coaching sessions with our Customer Service Professionals. These sessions are delivered by our front-line management, call coaches and senior technical leads within our customer contact center. The purpose of these sessions are to develop and reinforce best practices within our team. We use this as an opportunity to deliver immediate feedback to our staff. All Customer Service Professionals participate in this program.
- **Remote Observation**
 - The third component of our program allows our customer contact center management to conduct a focused analysis on individual Customer Service Professionals or other emerging customer trends (call types, key events, etc). We can conduct remote observation via live monitoring or via our call recording system.

5. For how long do you maintain records of enrollment, premiums, claims, etc? How and where is that data stored?

Prudential maintains records in compliance with all applicable Federal and State record retention laws/statutes/regulations/guidelines. These records have retention periods of at least seven years. In addition, all other non-regulated operational records are maintained to support good, effective business practices.

6. Please provide a copy of each policy proposed that exactly matches the benefits quoted in your proposal.

Included in Section 4 .

SAMPLE

**Commonwealth of
Pennsylvania**

**Group Contract
LT-91475-PA**

**Prudential Long Term
CareSM Coverage**

This Long-Term Care Insurance Certificate provides benefits for Eligible Charges incurred by you for Nursing Home Care, Home and Community-Based Care, Hospice Care, Bed Reservation, Respite Care, Information Services and Alternate Plan of Care.

The group Long-Term Care Coverage described in the Certificate is intended to be Qualified Long-Term Care Insurance as defined by the Internal Revenue Code Section 7702B(b).

The Group Contract is non-participating. This means that it will not share in Prudential's profits or surplus earnings, and Prudential will pay no dividends on it.



SAMPLE

Foreword

The Prudential Insurance Company of America
751 Broad Street, Newark, New Jersey 07102-3777

IMPORTANT: Within 30 days of receipt, if you decide you do not want this *Long Term Care Coverage*, you may return this Certificate, along with a written request to cancel the *Coverage*, to: The Prudential Insurance Company of America, Long Term Care Customer Service Center, P. O. Box 8526, Philadelphia, PA 19176. Your *Coverage* will be canceled as of the Effective Date and any premium paid will be returned to you within 10 days of receiving your cancellation request. If premiums are not returned within 30 days, *Prudential* will pay you interest on any premiums paid from the date *Prudential* receives notice of your cancellation.

RENEWABILITY. The *Long Term Care Coverage* described in this Certificate is guaranteed renewable. This means you have the right to continue this *Coverage* as long as you pay your premiums on time and have not exhausted your *Lifetime Maximum*. Please read the **Keeping Your Coverage** provision for more information. *Prudential* cannot change the terms of your *Coverage* on its own, except as described in this paragraph. It may increase the premiums you pay. It may change the provisions of the *Coverage* to conform with changes in any state or Federal law or regulation that applies to this *Coverage*. This change can be made upon agreement by the *Group Contract Holder* and may be subject to regulatory approval.

NOTICE TO BUYER: This plan may not cover all of the costs associated with *Long Term Care* incurred by you during the period of *Coverage*. You are advised to carefully review all *Coverage* limitations.

CAUTION. The issuance of this *Long Term Care Coverage* is based upon your responses to the questions on your Enrollment Form. If you provided evidence of insurability, a copy of your Enrollment Form is attached. If your answers are misstated or untrue, or you fail to include all material medical information requested, *Prudential* may have the right to deny benefits or rescind your *Coverage*, subject to the Incontestability provision. The best time to clear up any questions is now, before a claim arises! If for any reason, any of your answers are incorrect, contact *Prudential* at this address: The Prudential Insurance Company of America, Long Term Care Customer Service Center, P. O. Box 8526, Philadelphia, PA 19176, or call 1-800-732-0416.

THIS CERTIFICATE IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for *Medicare*, review the *Guide to Health Insurance for People with Medicare* available from *Prudential* by calling the Long Term Care Customer Service Center at 1-800-732-0416.

SAMPLE

The *Group Contract* under which this Certificate is issued is non-participating. This means that it will not share in *Prudential's* profits or surplus earnings, and *Prudential* will pay no dividends on it.

Tax Status of Premiums and Benefits

The *Long Term Care Coverage* described in this Certificate is intended to be **Qualified Long Term Care Insurance** as defined by the Internal Revenue Code Section 7702B(b), as amended. As such, the benefits you may receive under this Certificate should not be considered taxable income. In addition, some or all of the premiums you pay towards this *Coverage* may be tax deductible as a medical expense subject to certain limitations. Consult a tax advisor for more information concerning this deduction. Public guidance issued by the Internal Revenue Service or Treasury Department may provide that a provision of this *Coverage* does not comply with the requirements of Code Section 7702B. If the *Group Contract Holder* wishes the *Long Term Care Coverage* to maintain tax qualified status, a change in the *Group Contract* will be made in an amendment to it that is signed by an officer of *Prudential* and the *Group Contract Holder*.

State Disclosures

For residents of All States.

California law requires that health insurers treat California Registered Domestic Partners as spouses under any insurance contract issued in that state. In that instance, they will be afforded the same rights and responsibilities as spouses, and all references to "spouse" in this coverage will include California Registered Domestic Partners.

For residents of the State of California.

THIS INSURANCE IS APPROVED LONG TERM CARE INSURANCE UNDER CALIFORNIA LAW AND REGULATIONS. HOWEVER, THE BENEFITS PAYABLE BY THIS INSURANCE WILL NOT QUALIFY FOR MEDICAL ASSET PROTECTION UNDER THE CALIFORNIA PARTNERSHIP FOR LONG TERM CARE. FOR INFORMATION ABOUT POLICIES AND CERTIFICATES UNDER THE CALIFORNIA PARTNERSHIP FOR LONG TERM CARE, CALL THE HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM AT THE TOLL-FREE NUMBER: 1-800-434-0222.

This contract for long-term care insurance is intended to be a federally qualified long-term care insurance contract and may qualify you for federal and state tax benefits.

For residents of the State of Georgia.

The Georgia Insurance Department does not in anyway warrant that this *Coverage* meets the requirements of Internal Revenue Code Section 7702 B(b).

SAMPLE

For residents of the State of Illinois.

THIS CERTIFICATE IS NOT APPROVED FOR MEDICAID ASSET PROTECTION UNDER THE ILLINOIS LONG TERM CARE PARTNERSHIP PROGRAM. HOWEVER, THIS CERTIFICATE IS AN APPROVED LONG TERM CARE CERTIFICATE UNDER STATE INSURANCE REGULATIONS. FOR MORE INFORMATION ABOUT POLICIES AND CERTIFICATES APPROVED UNDER THE ILLINOIS LONG TERM CARE PARTNERSHIP PROGRAM, CALL THE SENIOR HELP LINE AT THE DEPARTMENT ON AGING AT 1-800-252-8966.

For residents of the State of Iowa.

THIS CERTIFICATE DOES NOT QUALIFY FOR MEDICAID ASSET PROTECTION UNDER THE IOWA LONG TERM CARE ASSET PRESERVATION PROGRAM. HOWEVER, THIS CERTIFICATE IS AN APPROVED LONG TERM CARE INSURANCE CERTIFICATE UNDER STATE INSURANCE REGULATIONS. FOR INFORMATION ABOUT POLICIES AND CERTIFICATES QUALIFYING UNDER THE IOWA LONG TERM CARE ASSET PRESERVATION PROGRAM, CALL THE SENIOR HEALTH INSURANCE INFORMATION PROGRAM OF THE DIVISION OF INSURANCE AT 1-800-281-5705.

For residents of the State of Maine.

If you have a Medicare Supplement Policy or Major Medical Policy, this Coverage may be more than you need. For information call the Maine Bureau of Insurance at 1-800-300-5000.

For residents of the State of Maryland.

This Certificate has not been approved under the Maryland Partnership for Long Term Care Program under Title 15, Subtitle 4 of the Health - General Article.

For residents of the State of Wisconsin.

THE WISCONSIN INSURANCE COMMISSIONER HAS ESTABLISHED MINIMUM STANDARDS FOR LONG TERM CARE INSURANCE. THIS CERTIFICATE MEETS THOSE STANDARDS.

SAMPLE

THIS CERTIFICATE COVERS CERTAIN TYPES OF NURSING HOME AND HOME HEALTH CARE SERVICES. THERE MAY BE LIMITATIONS ON THE SERVICES COVERED. READ YOUR CERTIFICATE CAREFULLY.

FOR MORE INFORMATION ON LONG TERM CARE SEE THE GUIDE TO LONG TERM CARE GIVEN TO YOU WHEN YOU APPLIED FOR THIS COVERAGE. THIS CERTIFICATE'S BENEFITS ARE NOT RELATED TO MEDICARE.

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

PROBLEM WITH YOUR INSURANCE? -- If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

The Prudential Insurance Company of America, Long Term Care Customer Service Center, P.O. Box 8526, Philadelphia, PA 19176. (800) 732-0416

You can also contact the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can contact the Office of the Commissioner of Insurance by contacting:

OFFICE OF THE COMMISSIONER OF INSURANCE

Complaints Department, P.O. Box 7873, Madison, WI 53707-7873

1-800-236-8517 or 608-266-0103.

SAMPLE

Thank you for choosing this Prudential Long Term Care Coverage.

This *Coverage* is intended to provide coverage for many of the services you will need if you require *Long Term Care* subject to the terms, conditions, exclusions and limitations set forth in the *Group Contract*. This may be necessary if you have a condition that affects your ability to perform everyday activities such as *Bathing* or *Dressing*. If you have a *Severe Cognitive Impairment* that affects your ability to take care of yourself safely, you may require *Long Term Care*. Services included in this Coverage are those which may be provided in your home or community or in a setting such as a *Nursing Home*. This Coverage is not intended to cover services provided in an *Acute Care Facility*. See the following pages for details about the benefits available under this *Coverage* and how you will be eligible to receive them.

If you are insured, this document is your Group Insurance Certificate. The Prudential Insurance Company of America certifies that insurance is provided according to the *Group Contract* for you. All benefits are subject in every way to the entire *Group Contract* which includes the Group Insurance Certificate. All the terms, conditions, exclusions and limitations shall be read together as a whole to determine eligibility for *Coverage* and whether and to what extent any benefits are payable. The *Group Contract* alone forms the agreement under which payment of the insurance is made. This Certificate replaces any older Certificates previously issued to you for the *Long Term Care Coverage*.

Certain terms used in this Certificate, indicated in italics, have been defined to make it easier for you to understand your *Coverage*. Please refer to the **Definitions** section.

If you have questions or would like more information about your Long Term Care Coverage, please call Prudential's Long Term Care Customer Service Center toll free at 1-800-732-0416, between 8:00 AM and 8:00 PM Eastern Time, Monday through Friday. A representative will be happy to assist you.

Prudential reserves the right to determine whether benefits being sought meet the definitions and intent of this Coverage.

SAMPLE

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SAMPLE

Schedule of Benefits

Your Confirmation Statement will indicate your Plan selection.

Benefit Waiting/Elimination Period

90 Days

INSTITUTIONAL CARE BENEFITS				
NURSING HOME CARE				
Up to the <i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$100	\$110	\$120	\$130
ASSISTED LIVING FACILITY CARE				
Up to the <i>Daily Maximum</i> for <i>Assisted Living Facility Care</i>	\$100	\$110	\$120	\$130
BED RESERVATION				
Up to the <i>Daily Maximum</i> for <i>Bed Reservation</i>	\$100	\$110	\$120	\$130
21 Day Benefit Limit per <i>Calendar Year</i>	\$2,100	\$2,310	\$2,520	\$2,730
HOME & COMMUNITY-BASED CARE BENEFITS*				
HOME HEALTH CARE				
Up to the <i>Daily Maximum</i> for <i>Home Health Care</i>	\$60	\$66	\$72	\$78
CASH ALTERNATIVE DAILY BENEFIT	\$30	\$33	\$36	\$39
ADULT DAY CARE				
Up to the <i>Daily Maximum</i> for <i>Adult Day Care</i>	\$60	\$66	\$72	\$78
ADDITIONAL BENEFITS				
HOSPICE CARE				
Up to the <i>Daily Maximum</i> for <i>Hospice Care</i>	\$100	\$110	\$120	\$130
RESPIRE CARE				
Up to the <i>Daily Maximum</i> for <i>Respite Care</i>	\$100	\$110	\$120	\$130
21 Day <i>Calendar Year</i> Benefit Limit	\$2,100	\$2,310	\$2,520	\$2,730
100 Day Lifetime Benefit Limit	\$10,000	\$11,000	\$12,000	\$13,000
INTERNATIONAL COVERAGE				
<i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$75	\$83	\$90	\$98
<i>Daily Maximum</i> for <i>Home Health Care</i>	\$45	\$50	\$54	\$59
365 Day Lifetime Benefit Limit				

SAMPLE

INDEPENDENCE SUPPORT				
Independence Support Lifetime Benefit Limit	\$5,000	\$5,500	\$6,000	\$6,500
CAREGIVER TRAINING				
Caregiver Training Lifetime Benefit Limit	\$500	\$500	\$500	\$500
INFORMATION AND REFERRAL SERVICES				
Information and Referral by Prudential	No limit	No limit	No limit	No limit
PRIVATE CARE MANAGEMENT				
Private Care Management Calendar Year Benefit Limit	\$1,200	\$1,320	\$1,440	\$1,560
ALTERNATE PLAN OF CARE	Paid at the discretion of Prudential			
LIFETIME MAXIMUM**				
For all <i>Long Term Care</i> During Your Lifetime.				
Maximum Benefit Period				
Three (3) Years	\$109,500	\$120,450	\$131,400	\$142,350
Five (5) Years	\$182,500	\$200,750	\$219,000	\$237,250

* The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the *Daily Maximum* benefit for *Home Health Care*.

** Your Lifetime Maximum is based on the Maximum Benefit Period you select. There are two options available to you: 3 years and 5 years. The Lifetime Maximum is equal to the *Daily Maximum* for care in a *Nursing Home* you chose, times 365 days, times the Maximum Benefit Period you chose. For example, electing the \$100 *Daily Maximum* for care in a *Nursing Home* and the Five Year Maximum Benefit Period provides a *Lifetime Maximum* of \$182,500 (\$100 x 365 x 5).

SAMPLE

Schedule of Benefits (continued)

Your Confirmation Statement will indicate your Plan selection.

Benefit Waiting/Elimination Period

90 Days

INSTITUTIONAL CARE BENEFITS				
NURSING HOME CARE				
Up to the <i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$140	\$150	\$160	\$170
ASSISTED LIVING FACILITY CARE				
Up to the <i>Daily Maximum</i> for <i>Assisted Living Facility Care</i>	\$140	\$150	\$160	\$170
BED RESERVATION				
Up to the <i>Daily Maximum</i> for <i>Bed Reservation</i>	\$140	\$150	\$160	\$170
21 Day Benefit Limit per <i>Calendar Year</i>	\$2,940	\$3,150	\$3,360	\$3,570
HOME & COMMUNITY-BASED CARE BENEFITS*				
HOME HEALTH CARE				
Up to the <i>Daily Maximum</i> for <i>Home Health Care</i>	\$84	\$90	\$96	\$102
CASH ALTERNATIVE DAILY BENEFIT	\$42	\$45	\$48	\$51
ADULT DAY CARE				
Up to the <i>Daily Maximum</i> for <i>Adult Day Care</i>	\$84	\$90	\$96	\$102
ADDITIONAL BENEFITS				
HOSPICE CARE				
Up to the <i>Daily Maximum</i> for <i>Hospice Care</i>	\$140	\$150	\$160	\$170
RESPIRE CARE				
Up to the <i>Daily Maximum</i> for <i>Respite Care</i>	\$140	\$150	\$160	\$170
21 Day <i>Calendar Year</i> Benefit Limit	\$2,940	\$3,150	\$3,360	\$3,570
100 Day Lifetime Benefit Limit	\$14,000	\$15,000	\$16,000	\$17,000
INTERNATIONAL COVERAGE				
<i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$105	\$113	\$120	\$128
<i>Daily Maximum</i> for <i>Home Health Care</i>	\$63	\$68	\$72	\$77
365 Day Lifetime Benefit Limit				

SAMPLE

INDEPENDENCE SUPPORT				
Independence Support Lifetime Benefit Limit	\$7,000	\$7,500	\$8,000	\$8,500
CAREGIVER TRAINING				
Caregiver Training Lifetime Benefit Limit	\$500	\$500	\$500	\$500
INFORMATION AND REFERRAL SERVICES				
Information and Referral by Prudential	No limit	No limit	No limit	No limit
PRIVATE CARE MANAGEMENT				
Private Care Management Calendar Year Benefit Limit	\$1,680	\$1,800	\$1,920	\$2,040
ALTERNATE PLAN OF CARE	Paid at the discretion of Prudential			
LIFETIME MAXIMUM**				
For all Long Term Care During Your Lifetime.				
Maximum Benefit Period				
Three (3) Years	\$153,300	\$164,250	\$175,200	\$186,150
Five (5) Years	\$255,500	\$273,750	\$292,000	\$310,250

* The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the *Daily Maximum* benefit for *Home Health Care*.

** Your Lifetime Maximum is based on the Maximum Benefit Period you select. There are two options available to you: 3 years and 5 years. The Lifetime Maximum is equal to the *Daily Maximum* for care in a *Nursing Home* you chose, times 365 days, times the Maximum Benefit Period you chose. For example, electing the \$140 *Daily Maximum* for care in a *Nursing Home* and the Five Year Maximum Benefit Period provides a *Lifetime Maximum* of \$255,500 (\$140 x 365 x 5).

SAMPLE

Schedule of Benefits (continued)

Your Confirmation Statement will indicate your Plan selection.

Benefit Waiting/Elimination Period

90 Days

INSTITUTIONAL CARE BENEFITS				
NURSING HOME CARE				
Up to the <i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$180	\$190	\$200	\$210
ASSISTED LIVING FACILITY CARE				
Up to the <i>Daily Maximum</i> for <i>Assisted Living Facility Care</i>	\$180	\$190	\$200	\$210
BED RESERVATION				
Up to the <i>Daily Maximum</i> for <i>Bed Reservation</i>	\$180	\$190	\$200	\$210
21 Day Benefit Limit per <i>Calendar Year</i>	\$3,780	\$3,990	\$4,200	\$4,410
HOME & COMMUNITY-BASED CARE BENEFITS*				
HOME HEALTH CARE				
Up to the <i>Daily Maximum</i> for <i>Home Health Care</i>	\$108	\$114	\$120	\$126
CASH ALTERNATIVE DAILY BENEFIT	\$54	\$57	\$60	\$63
ADULT DAY CARE				
Up to the <i>Daily Maximum</i> for <i>Adult Day Care</i>	\$108	\$114	\$120	\$126
ADDITIONAL BENEFITS				
HOSPICE CARE				
Up to the <i>Daily Maximum</i> for <i>Hospice Care</i>	\$180	\$190	\$200	\$210
RESPIRE CARE				
Up to the <i>Daily Maximum</i> for <i>Respite Care</i>	\$180	\$190	\$200	\$210
21 Day <i>Calendar Year</i> Benefit Limit	\$3,780	\$3,990	\$4,200	\$4,410
100 Day Lifetime Benefit Limit	\$18,000	\$19,000	\$20,000	\$21,000
INTERNATIONAL COVERAGE				
<i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$135	\$143	\$150	\$158
<i>Daily Maximum</i> for <i>Home Health Care</i>	\$81	\$86	\$90	\$95
365 Day Lifetime Benefit Limit				

SAMPLE

INDEPENDENCE SUPPORT				
Independence Support Lifetime Benefit Limit	\$9,000	\$9,500	\$10,000	\$10,500
CAREGIVER TRAINING				
Caregiver Training Lifetime Benefit Limit	\$500	\$500	\$500	\$500
INFORMATION AND REFERRAL SERVICES				
Information and Referral by Prudential	No limit	No limit	No limit	No limit
PRIVATE CARE MANAGEMENT				
Private Care Management Calendar Year Benefit Limit	\$2,160	\$2,280	\$2,400	\$2,520
ALTERNATE PLAN OF CARE	Paid at the discretion of Prudential			
LIFETIME MAXIMUM**				
For all Long Term Care During Your Lifetime.				
Maximum Benefit Period				
Three (3) Years	\$197,100	\$208,050	\$219,000	\$229,950
Five (5) Years	\$328,500	\$346,750	\$365,000	\$383,250

* The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the *Daily Maximum* benefit for *Home Health Care*.

** Your Lifetime Maximum is based on the Maximum Benefit Period you select. There are two options available to you: 3 years and 5 years. The Lifetime Maximum is equal to the *Daily Maximum* for care in a *Nursing Home* you chose, times 365 days, times the Maximum Benefit Period you chose. For example, electing the \$180 *Daily Maximum* for care in a *Nursing Home* and the Five Year Maximum Benefit Period provides a *Lifetime Maximum* of \$328,500 (\$180 x 365 x 5).

SAMPLE

Schedule of Benefits (continued)

Your Confirmation Statement will indicate your Plan selection.

Benefit Waiting/Elimination Period

90 Days

INSTITUTIONAL CARE BENEFITS				
NURSING HOME CARE				
Up to the <i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$220	\$230	\$240	\$250
ASSISTED LIVING FACILITY CARE				
Up to the <i>Daily Maximum</i> for <i>Assisted Living Facility Care</i>	\$220	\$230	\$240	\$250
BED RESERVATION				
Up to the <i>Daily Maximum</i> for <i>Bed Reservation</i>	\$220	\$230	\$240	\$250
21 Day Benefit Limit per <i>Calendar Year</i>	\$4,620	\$4,830	\$5,040	\$5,250
HOME & COMMUNITY-BASED CARE BENEFITS*				
HOME HEALTH CARE				
Up to the <i>Daily Maximum</i> for <i>Home Health Care</i>	\$132	\$138	\$144	\$150
CASH ALTERNATIVE DAILY BENEFIT	\$66	\$69	\$72	\$75
ADULT DAY CARE				
Up to the <i>Daily Maximum</i> for <i>Adult Day Care</i>	\$132	\$138	\$144	\$150
ADDITIONAL BENEFITS				
HOSPICE CARE				
Up to the <i>Daily Maximum</i> for <i>Hospice Care</i>	\$220	\$230	\$240	\$250
RESPITE CARE				
Up to the <i>Daily Maximum</i> for <i>Respite Care</i>	\$220	\$230	\$240	\$250
21 Day <i>Calendar Year</i> Benefit Limit	\$4,620	\$4,830	\$5,040	\$5,250
100 Day Lifetime Benefit Limit	\$22,000	\$23,000	\$24,000	\$25,000
INTERNATIONAL COVERAGE				
<i>Daily Maximum</i> for <i>Nursing Home Care</i>	\$165	\$173	\$180	\$188
<i>Daily Maximum</i> for <i>Home Health Care</i>	\$99	\$104	\$108	\$113
365 Day Lifetime Benefit Limit				

SAMPLE

INDEPENDENCE SUPPORT				
Independence Support Lifetime Benefit Limit	\$11,000	\$11,500	\$12,000	\$12,500
CAREGIVER TRAINING				
Caregiver Training Lifetime Benefit Limit	\$500	\$500	\$500	\$500
INFORMATION AND REFERRAL SERVICES				
Information and Referral by Prudential	No limit	No limit	No limit	No limit
PRIVATE CARE MANAGEMENT				
Private Care Management Calendar Year Benefit Limit	\$2,640	\$2,760	\$2,880	\$3,000
ALTERNATE PLAN OF CARE	Paid at the discretion of Prudential			
LIFETIME MAXIMUM**				
For all Long Term Care During Your Lifetime.				
Maximum Benefit Period				
Three (3) Years	\$240,900	\$251,850	\$262,800	\$273,750
Five (5) Years	\$401,500	\$419,750	\$438,000	\$456,250

* The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the *Daily Maximum* benefit for *Home Health Care*.

** Your Lifetime Maximum is based on the Maximum Benefit Period you select. There are two options available to you: 3 years and 5 years. The Lifetime Maximum is equal to the *Daily Maximum* for care in a *Nursing Home* you chose, times 365 days, times the Maximum Benefit Period you chose. For example, electing the \$220 *Daily Maximum* for care in a *Nursing Home* and the Five Year Maximum Benefit Period provides a *Lifetime Maximum* of \$401,500 (\$220 x 365 x 5).

Optional or Additional Benefits available to Eligible Persons

This *Long Term Care Coverage* includes the following additional and/or optional benefits.

- When you enrolled, you had the option of choosing a non-forfeiture benefit. This benefit is described in the section entitled **Non-Forfeiture Benefit Rider**. Your Confirmation Statement will indicate if you have elected this Rider.

SAMPLE

- When you enrolled, you had the option of choosing automatic, annual inflation increases. This benefit is described in the section entitled **Automatic Compound Inflation Increase Rider**. Your Confirmation Statement will indicate if you have elected this Rider.

This Certificate describes Commonwealth of Pennsylvania's *Long Term Care Coverage* as of July 1, 2007. Your Effective Date of Coverage and the Plan you have chosen are shown in the Confirmation Statement.

SAMPLE

Who is Eligible

You are eligible for this group Coverage while you are

- 1) An Employee of Commonwealth of Pennsylvania; or
- 2) Related to an Employee in one of the following ways:
 - a) You are the spouse or Qualified Adult or Domestic Partner of the Employee.
 - b) You are the parent or grandparent of the Employee or the Employee's spouse.
 - c) You are the spouse of the parent or grandparent.
 - d) You are the adult child of an Employee or the adult child's spouse.

You must be at least 18 but less than age 85 when your Enrollment Form is completed.

When You Become Insured

Prudential will determine if you are accepted for Coverage based upon your responses to the questions on your Enrollment Form and any other evidence of insurability that *Prudential* may require. If you are accepted, the Effective Date of your Coverage and the Plan you have chosen will be shown in the Confirmation Statement included with this Certificate.

Delay of Effective Date

If you are an *Employee*, your Coverage will be delayed if you are not actively at work on the day your insurance would otherwise begin. Instead, it will begin on the first day of the month following the date you return to work as an active *Employee*.

If you are eligible for this Coverage other than as an *Employee*, your Coverage will be delayed if, on the day your insurance would otherwise begin, you are confined in a health care institution or are receiving *Home and Community-Based Care* or *Hospice Care*. Instead it will begin on the first day of the month following the date you are discharged from such confinement and are not receiving such care.

SAMPLE

Keeping Your Coverage

If any of the following situations occur, you may keep your *Coverage* in effect.

- 1) The person through whom you have your *Coverage* leaves the *Group Contract Holder*.
- 2) You become divorced from your spouse.
- 3) Your relationship with your *Domestic Partner* is terminated.
- 4) You cease to meet the definition of a *Qualified Adult*.
- 5) Your spouse or *Domestic Partner* dies.
- 6) The *Group Contract Holder* withdraws sponsorship.

- If the person through whom you have your *Coverage* leaves the *Group Contract Holder*,

You must notify *Prudential* in writing within 60 days of this change in status.

- If you become divorced, or your *Domestic Partner* relationship is terminated or your spouse dies,

You must notify *Prudential* in writing within 60 days of the final judgment of divorce, of the date of termination of the relationship, or the death that you want to continue your *Coverage*. *Prudential* will then adjust the billing, if necessary, to reflect your change in status.

- If you cease to meet the definition of a *Qualified Adult*,

You must notify *Prudential* in writing within 60 days of this change in status. *Prudential* will then adjust the billing, if necessary, to reflect your change in status.

- If the *Group Contract Holder* withdraws sponsorship of the *Group Contract* and does not replace it within 31 days of the date *Coverage* would otherwise end,

Prudential will offer you the opportunity to convert coverage to an individual policy, without providing evidence of insurability. You will be eligible to convert if you have been continuously insured under the *Group Contract* for at least six months immediately prior to termination. The converted policy will provide benefits identical to or substantially equivalent to or in excess of those provided under the *Group Contract* from which conversion is made.

SAMPLE

- If your premiums are being waived when any of the above events occur,
You must still notify *Prudential* in writing as described above. You will not have to send premiums as long as your premium payments were current before the waiver period.

Notice should be sent to: The Prudential Insurance Company of America, Long Term Care Customer Service Center, P. O. Box 8526, Philadelphia, PA 19176.

SAMPLE

Premiums

A. Paying Premiums

You are responsible for the entire cost of this *Coverage* and your premium payments. Commonwealth of Pennsylvania does not contribute to the cost of this *Coverage*. Your premium contribution is shown on your Confirmation Statement.

B. Amount of Premiums

Premiums for this *Coverage* are based on your age as of the date you enroll for *Coverage* and the *Coverage* option(s) you have chosen.

- Premiums will not automatically increase as you become older.
- Premiums will not automatically increase because you use benefits.

As long as you continue to pay the required premium for this *Coverage*, have not reached your *Lifetime Maximum*, and have answered the questions on the Enrollment Form truthfully, you can keep this *Coverage* in effect.

C. Increases In Premiums

You will be charged an additional separate premium if you choose to increase your benefits. The premium for your original *Coverage* will remain the same. Your age as of the date you enroll for the additional *Coverage* will be used to determine the additional separate premium.

Prudential also reserves the right to change premium rates. Any change will apply on a class basis to all insureds. Class, for purposes of this section, means a grouping of insured risks that exhibit a trait requiring a separate premium rate due to risk characteristics.

You will be given 60 days advance written notice of any such change.

D. Correcting Premiums

If the age used to determine your premium is found to be in error, the premium charge will be adjusted to reflect your correct age. If this adjustment results in a change in the amount of such premium, any difference between the premium paid and the premium required on the basis of the correct age will be satisfied as follows.

- 1) If the adjustment results in an increased premium, *Prudential* will notify you and the Group Contract Holder, if necessary, and request payment of the additional premium required for your *Coverage*, with the next premium due after the date on which the error was identified.

SAMPLE

- 2) If the adjustment results in a decreased premium, the difference will be refunded by *Prudential*. You may ask *Prudential* to send you a refund or apply the overpayment towards future premiums.

If your *Coverage* would have been denied had your age not been misstated, or if you would have been subject to additional medical evidence requirements, *Prudential's* liability will be limited to a refund of all premiums you have paid for this *Coverage*.

E. Grace Period

If you are being billed directly by *Prudential*, the due date will be indicated on your bill. If premium is not received within 31 days of the date due, you and your designee (if applicable) will be mailed a notice requesting payment within 31 days. The notice will be deemed to have been given as of five days after the date of mailing. Your 31 day grace period starts as of this fifth day following the date of mailing. The Certificate remains in force during the grace period. If *Prudential* does not receive payment within this time, your *Coverage* will be terminated.

If your premiums are being paid through payroll or pension deduction and the premiums are not remitted to *Prudential* within the period agreed to by Commonwealth of Pennsylvania and *Prudential* in the Group Contract, you will be automatically billed by *Prudential*. In that case, you will be subject to the grace period previously described.

F. Waiver of Premium

After you meet the **Benefit Eligibility Criteria** and satisfy the required **Benefit Waiting/Elimination Period**, the premiums for your *Coverage* will be waived. Premiums will be waived beginning the first day of the month following the date you satisfy the **Benefit Waiting/Elimination Period**. 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**.

G. Premium Refund Upon Cancellation of Insurance

Upon proper notification of the cancellation of this *Coverage* at a time occurring after the free look period described in the **Foreword** section, *Prudential* will refund on a pro-rata basis any part of the periodic premium contribution for you which applies to the period after cancellation.

SAMPLE

H. Premium Refund Upon Your Death

Upon proper notification of the death of the insured, *Prudential* will refund on a pro-rata basis any part of the periodic premium contribution for that insured which applies to the period of time after death.

SAMPLE

Long Term Care Coverage

A. Covered Services

Certain terms used in this section have been defined to make it easier to understand and use your *Coverage*. See the **Definitions** section.

This *Coverage* pays benefits for *Eligible Charges* incurred by you for *Institutional Care* which includes care in a *Nursing Home*, *Assisted Living Facility* care and *Bed Reservation*; *Home and Community-Based Care*, which includes *Home Health Care* and *Adult Day Care*; and Additional Benefits which include *Hospice Care*, *Respite Care*, *Independence Support*, *Caregiver Training*, *Information and Referral Services*, *Private Care Management* and *Alternate Plan of Care*. Benefits paid for *Eligible Charges* count towards fulfillment of your *Lifetime Maximum*.

Benefits for *Eligible Charges* for the following services are provided once the **Benefit Waiting/Elimination Period** has been satisfied. Not all charges are covered (see **Coverage Exclusions** section). The actual amount paid depends on the Plan you have chosen. The benefits paid for all covered *Qualified Long Term Care Services* (with the exception of *Independence Support*, *Caregiver Training* and *Information and Referral Services*) received on any given day will not exceed the *Daily Maximum* benefit for *Nursing Home Care*. The benefits paid under this *Coverage* will not exceed the *Lifetime Maximum*. All applicable maximums and limits are described in this Certificate and are outlined on the **Schedule of Benefits** page.

INSTITUTIONAL CARE BENEFITS

Nursing Home Care - This Certificate provides *Coverage* for care provided by a *Nursing Home* while you are a resident. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Nursing Home Care* as shown in the **Schedule of Benefits**.

Assisted Living Facility Care- This Certificate provides *Coverage* for care provided by an *Assisted Living Facility* while you are a resident. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Assisted Living Facility Care* as shown in the **Schedule of Benefits**.

SAMPLE

Bed Reservation – While you are receiving *Qualified Long Term Care Services* in a *Nursing Home* or an *Assisted Living Facility*, you may incur charges for *Bed Reservation* by that institution to retain your bed while you are confined in an acute care facility for 24 hours or more. This Certificate provides *Coverage* for such charges if

- 1) The *Bed Reservation* occurs while you are receiving benefits under this Certificate for care in a *Nursing Home* or an *Assisted Living Facility*. And
- 2) The charge for *Bed Reservation* is a customary facility charge that would be made in the absence of insurance.

Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Bed Reservation* as shown in the **Schedule of Benefits**. See the **Schedule of Benefits** for specific limits on the *Bed Reservation* benefit.

HOME & COMMUNITY-BASED CARE BENEFITS

Home Health Care - This Certificate provides *Coverage* for each day you receive Home Health Care or Personal Care from a Home Health Care Agency, Referral Agency, Nurse Registry or provided by an Independent Health Care Professional. *Eligible Charges* will be paid up to your *Daily Maximum* for Home Health Care.

Benefits under this provision will not be paid in addition to benefits paid for *Qualified Long Term Care Services* received in an Assisted Living Facility.

Adult Day Care – This Certificate provides *Coverage* for each day you receive Adult Day Care from an Adult Day Care Facility. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for Adult Day Care as shown in the **Schedule of Benefits**.

The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the *Daily Maximum* benefit for Home Health Care.

ADDITIONAL BENEFITS

Hospice Care - This Certificate provides *Coverage* for *Hospice Care*. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Hospice Care* as shown in the **Schedule of Benefits**. The **Benefit Waiting/Elimination Period** does not apply to *Hospice Care* benefits.

Respite Care - This Certificate provides *Coverage* for short-term care provided for limited periods of time in an *Institutional Care* setting or for *Home and Community-Based Care* to relieve your *Informal Caregiver*. Benefits for *Eligible Charges* will be paid up to the *Daily Maximum* for *Respite Care*, as shown in the **Schedule of Benefits**. See the **Schedule of Benefits** for specific limits on the *Respite Care* benefit.

SAMPLE

Independence Support - This Certificate provides *Coverage* for a personal emergency response system or for home modifications related to your *Long Term Care* needs aimed at allowing you to stay at home. Benefits for *Eligible Charges* will be paid up to the Independence Support Lifetime Benefit limit as shown in the **Schedule of Benefits**. No **Benefit Waiting/Elimination Period** applies to Independence Support benefits.

Caregiver Training - This Certificate provides *Coverage* for *Caregiver Training* for an *Informal Caregiver*. Benefits for *Eligible Charges* will be paid up to the *Caregiver Training* Lifetime Benefit Limit as shown in the **Schedule of Benefits**. No **Benefit Waiting/Elimination Period** applies to *Caregiver Training* benefits.

Information and Referral Services – If you would like information regarding community resources or your benefits, *Prudential's* Long Term Care Customer Service Center is available to help. You do not have to be eligible for benefits. No **Benefit Waiting/Elimination Period** applies to Information and Referral Services benefits. Call 1-800-732-0416 for assistance.

Private Care Management - This Certificate 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 paid up to the Private Care Management *Calendar Year* Benefit Limit as shown in the **Schedule of Benefits**. No **Benefit Waiting/Elimination Period** applies to Private Care Management benefits.

Alternate Plan of Care - *Prudential* recognizes there are emerging trends in the delivery of *Long Term Care*. We have attempted to describe the types of care, services and settings that are covered under this Certificate. However, we will consider a claim for benefits for care received in an alternate setting or for non-institutional services designed to help eligible individuals remain independent in their homes. Determination of your eligibility for this benefit and the benefit amount will be made on an individual basis at the sole discretion of *Prudential*. Benefits paid under Alternate Plan of Care reduce your Lifetime Maximum.

To be considered an Eligible Charges under the Alternate Plan of Care provision, charges must be for a service that meets the following requirements.

- 1) It must be considered a Qualified Long Term Care Service within the meaning of Internal Revenue Code Section 7702B.
- 2) It must be clearly specified in your Plan of Care.
- 3) It must be agreed to by you, your Licensed Health Care Practitioner and Prudential as an appropriate alternative to services covered by your Certificate. However, you may choose to stop the covered alternative services at any time and use other services covered by your Certificate.

SAMPLE

- 4) To qualify, such care must be a cost-effective alternative to the benefits provided in this Certificate.

B. Obtaining Benefits

Limitations or Conditions on Eligibility for Benefits

Eligibility for the Payment of Benefits - Benefit Eligibility Criteria - Submitting a claim form and a bill is not enough to assure that benefits will be paid. In order to receive benefits, you must **FIRST** be assessed by a *Licensed Health Care Practitioner* and be 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. This 90 day period is not an additional waiting period. *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.

Using Your Coverage

It is important that you start the process of using your *Coverage* by calling the Long Term Care Customer Service Center at 1-800-732-0416. You are encouraged to call *Prudential* before you begin using *Long Term Care* services so that you know in advance whether your benefits will be available. Either you or your authorized or legal representative may call.

Prudential will arrange for a trained *Licensed Health Care Practitioner* to assess you or you may select your own *Licensed Health Care Practitioner*. As part of the assessment process, you and your caregiver may be interviewed. If *Prudential* arranges the assessment, the interview may be by telephone or in-person depending on your condition. The assessment will be based on objective standards of measurement.

If you wish to select your own *Licensed Health Care Practitioner*, you must notify *Prudential* when you call our Long Term Care Customer Service Center. *Prudential* will send you an assessment form that your *Licensed Health Care Practitioner* must complete and return to *Prudential*.

SAMPLE

Based on the information obtained during the assessment, your eligibility will be confirmed or denied based on *Prudential's* use of objective standards of measurement. These may include the "Katz Index of ADL's," "Folstein's Mini-Mental Examination," or any other equivalent objective standard of measurement currently in use at the time of assessment and acceptable to *Prudential*, subject to the terms and conditions of the Certificate. You will be sent a written notice to confirm your eligibility. If you are not eligible, you will be sent a written notice explaining the reasons you were not eligible.

If you are eligible, you will need a *Plan of Care*. Your *Plan of Care* will be used to determine benefits based on the Plan you have chosen.

You will be reassessed periodically, but not more than once every 90 days, to determine if you are still eligible for benefits. To comply with federal income tax requirements, you must be assessed at least once each year.

Appealing Decisions about Eligibility

If the assessment process did not confirm your condition as a *Chronic Illness or Disability*, you may then arrange, at your own cost, for a second assessment from another *Licensed Health Care Practitioner*.

You have the right to appeal decisions made about your eligibility for benefits. When you are determined to be ineligible for benefits, you will be sent a notice that explains why you are not eligible. This notice will also explain the procedure you should follow if you choose to appeal the decision.

Prudential will send you a written acknowledgment of your appeal. If no additional information is required and the appeal is denied, the acknowledgment will include a detailed explanation of the reason(s) for the denial. If additional information is required, *Prudential* will explain what information is needed. Upon receipt and review of the additional information, *Prudential* will notify you in writing of the results of the review.

If you still disagree with the appeal decision, you can request in writing within 60 days of the decision that the matter be submitted to the Benefit Appeal Committee. This Committee includes, but is not limited to, clinical consultants, legal consultants, and product management staff. After a thorough review, the Committee will send you written notification of its decision.

SAMPLE

C. Benefit Waiting/Elimination Period Before Payment Begins

A **Benefit Waiting/Elimination Period** must be met once during your lifetime before benefits are payable. This Certificate has one combined **Benefit Waiting/Elimination Period** for all covered services to which it applies. This is a period, counted in calendar days, which begins on the date you are assessed, if that assessment results in eligibility for benefits, and continues as long as you have a *Chronic Illness or Disability*. 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.

Your **Benefit Waiting/Elimination Period** is shown on your Confirmation Statement.

SAMPLE

CASH ALTERNATIVE BENEFIT

The following benefit is added to your *Long Term Care Coverage*.

Cash Alternative Benefit

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 and Community-Based 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 Health 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. This election is made on the claim form.
- 3) It is in lieu of any other *Institutional Care or Home and Community-Based Care* benefits payable for that month.

These benefits are subject to the **Benefit Waiting/Elimination Period** and reduce your *Lifetime Maximum*.

NOTICE: Since the Cash Alternative Benefit is made without regard to costs incurred by you, part of the benefits could be considered taxable income. If the benefits paid under this provision are in excess of the per diem limit as prescribed by law, they could be considered taxable income. This per diem limit is indexed for inflation. You should consult with a tax advisor for more information concerning the tax implications.

SAMPLE

INTERNATIONAL COVERAGE BENEFIT

The following benefit is added to your *Long Term Care Coverage*.

International Coverage Benefit

Your *Coverage* provides benefits for *Long Term Care* services you receive outside the United States as:

- 1) A resident in an Out-of-Country Nursing Home;
- 2) Home Health Care services or Personal Care services.

Benefits for these *Eligible Charges* for care you receive outside the United States will be paid up to 75% of your *Daily Maximum* for *Nursing Home Care* or *Daily Maximum* for *Home Health Care*, as shown in the **Schedule of Benefits**, 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*. When the International Coverage benefits are exhausted, any *Eligible Charges* incurred for *Long Term Care* services received inside the United States will be considered under your *Coverage*.

These benefits are subject to the **Benefit Waiting/Elimination Period** and reduce your *Lifetime Maximum*.

There is no International Coverage benefit for Bed Reservation, Hospice Care, Respite Care, Independence Support, Caregiver Training or Alternate Plan of Care when provided or charges are incurred outside of the United States.

The following terms are added to the **Definitions** section.

Out-of-Country Nursing Home - An institution, not excluded below, that meets the following criteria.

- 1) It is located outside the United States, its territories and possessions.
- 2) It is a legally operated facility that is engaged primarily in providing skilled, intermediate or custodial nursing care for at least 10 people.