

# ForeCare<sup>™</sup>

## Fixed Annuity

Facts and Factors

# Long-Term Care

## The Big Picture

When you think about long-term care, what picture comes to mind? Do you think of a nursing home or depending on family members to take care of you? This is a common perception and sometimes the only image of what people associate with long-term care. However, long-term care is comprised of the following care services:\*

Home Care	Personal Care	Homemaker Services
Chore Services	Home Health Aide	Nurse and Therapist
Respite Care	Adult Day Care	Assisted Living
Nursing Home		Hospice Care

## The Need

Seventy percent of people older than 65 will need some form of long-term care.†

## The Payment Options

Long-term care services can be very expensive and quickly drain a person's savings and investments. There are two primary ways to pay for the costs of long-term care:

### 1. Personal savings and investments

- Cash
- Bonds
- Stocks
- Real Estate
- Mutual Funds
- IRAs
- Variable and fixed annuities

### 2. Insurance

- Self-insure
- Long-term care insurance

*If your clients choose to pay for long-term care from personal savings or investments, which account would they use first and would they be willing to deplete all of the accounts to cover the cost?*

## Is There Another Way?

### ForeCare™ Fixed Annuity

Seventy-three percent of non-qualified fixed annuity owners plan to use their annuity to fund a long-term care liability.‡ Because ForeCare is a fixed annuity, it provides tax deferral on interest credited to the account and access to the account value through withdrawals or income payout options. Any remaining contract value at death will pass directly to beneficiaries. However, if a person insured with ForeCare is chronically ill and certified as unable to independently perform two of the six common Activities of Daily Living§ or is severely cognitively impaired, ForeCare will provide the following enhanced benefits:

- Double or triple the contract value in long-term care coverage for qualified long-term care expenses (*eligibility and multiple is determined through underwriting*)
- Income tax-free withdrawals for qualified long-term care expenses

\* See page 6 for a full list of covered care

† [longtermcare.gov](http://longtermcare.gov), 2010. "Costs of Care"

‡ 2009 Gallup Survey of Owners of Non-Qualified Annuity Contracts

§ See page 7 for a list of Activities of Daily Living

# ForeCare’s Easy Application Process

**Visual View** .....2  
*Check height & weight parameters*

**Six Questions for You** .....2  
*Find out if your client can be approved for coverage*

**Five Questions for 3x or 2x** .....3  
*Find out what your client’s benefit will be*

**Decision** .....4  
*Submit paperwork and find out if your client is approved  
and at what coverage level (3x or 2x)*

**15 Min. “Re:Call” Interview** .....4  
*Clients participate in a short interview*

## More Care with ForeCare

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## Visual View

*Does my client meet the height and weight requirements?*

### ForeCare™ Height / Weight Chart

If proposed insured (male or female) is outside these guidelines, he/she will not be eligible for coverage

Height	Min. Weight	Max. Weight
4'-5"	69	160
4'-6"	71	166
4'-7"	73	172
4'-8"	76	180
4'-9"	79	185
4'-10"	82	192
4'-11"	84	198
5'-0"	87	205
5'-1"	90	212
5'-2"	93	219
5'-3"	96	226
5'-4"	99	233
5'-5"	102	241
5'-6"	106	248
5'-7"	109	256

Height	Min. Weight	Max. Weight
5'-8"	112	263
5'-9"	115	271
5'-10"	119	279
5'-11"	122	287
6'-0"	126	295
6'-1"	129	303
6'-2"	133	312
6'-3"	136	320
6'-4"	140	329
6'-5"	144	337
6'-6"	147	346
6'-7"	151	355
6'-8"	155	364
6'-9"	160	373

## Six Questions for You

*Does my client have a chance of getting approved?*

**Qualifying Questions:** Clients complete a Medical Questionnaire for ForeCare (questions below). If your client answers "No" to the first six\* questions, he/she may be an excellent candidate.

1. Are you currently confined to a nursing facility, receiving home health care, using Adult Day Care services, receiving hospice care, residing in an Assisted Living Facility, or in the last 12 months have you used or been medically advised to seek such confinement or care, or are you currently hospitalized or confined to a bed?
2. Do you require assistance or supervision in performing any of the following activities: bathing, dressing, transferring, eating, toileting, bowel or bladder control, mobility, or taking medications?
3. Do you use, or have you been medically advised to use, a walker, multi-prong cane, wheelchair, motorized scooter, hospital bed, stair lift, or any medical appliance such as oxygen, respirator, dialysis machine or an implanted defibrillator?
4. Have you been medically diagnosed, treated for, advised to have treatment for, been prescribed or taken medication for any of the following?
  - a. Alzheimer's disease, dementia, recurrent memory loss, organic brain syndrome (OBS), mental incapacity or retardation?
  - b. Stroke, Parkinson's disease, paralysis, paraplegia, or quadriplegia?
  - c. Multiple sclerosis, muscular dystrophy, Lou Gehrig's disease (ALS), cystic fibrosis, or Huntington's disease?
5. Have you ever been medically diagnosed as having or been treated for acquired immune deficiency syndrome (AIDS), or have you ever tested positive for the human immunodeficiency virus (HIV)?
6. In the last three (3) years have you applied for a long-term care policy or long-term care benefit that was declined or postponed?\*

\*Question 6 is not applicable in MO.

## Five Questions for 3x or 2x

*Will my client's benefit be premier or standard?*

**Coverage Questions:** Answers to the next five questions, and the results of the "Re:Call" Interview will determine Premier (3x) or Standard (2x) benefit coverage.

7. In the last six (6) months, have you been medically diagnosed as having had a heart attack or aneurysm, angioplasty, coronary bypass surgery, vascular surgery, or heart valve replacement?
8. In the last 12 months have you:
  - a. Been medically diagnosed as having or been treated for congestive heart failure or cardiomyopathy?
  - b. Had a seizure or convulsion, multiple falls, or any fall resulting in a fracture?
  - c. Been hospitalized overnight two (2) or more times?
9. In the last two (2) years have you been:
  - a. Medically diagnosed or received treatment for leukemia, Hodgkin's disease or other lymphoma, cancer of the bone, breast, colon, esophagus, liver, lung, ovary, pancreas, stomach, uterus, or any metastatic cancer?
  - b. Medically advised to have treatment or been treated for alcohol or drug use or dependency?
  - c. Hospitalized for depression, bipolar disorder or any other psychiatric disorder?
10. Have you ever been medically diagnosed, treated for, advised to have treatment for, been prescribed or taken medication for:
  - a. Cirrhosis of the liver?
  - b. Transient Ischemic Attack (TIA) within the last year, multiple TIAs, or a TIA with a history of heart disease?
  - c. Bipolar disorder, schizophrenia or other psychosis?
  - d. Chronic kidney failure?
  - e. Diabetes with a history of TIA, heart disease, or carotid artery disease?
  - f. Diabetes currently treated with insulin?
  - g. Rheumatoid arthritis with joint deformity, joint replacement or requiring daily use of narcotic medication?
  - h. Organ transplant other than cornea?
  - i. Multiple myeloma, scleroderma, myasthenia gravis, or systemic lupus?
  - j. Amputation due to disease?
11. Have you been medically advised to have any surgery, organ transplant, diagnostic test, or medical evaluation that has not yet been completed?

## Decision

### *Submit paperwork and receive results*

- ❑ Send HIPAA and Medical Questionnaire forms to [forecare@forethought.com](mailto:forecare@forethought.com) or fax (855) 206-8731
- ❑ Call 877-272-0578 to conduct the interview
- ❑ Obtain monthly cost of insurance factor for the personal worksheet from this brochure, or request an Illustration from the Sales Desk
- ❑ Complete the application
- ❑ Submit paperwork/send Forethought a copy by email, fax, or overnight mail

Email: [forecare@forethought.com](mailto:forecare@forethought.com)

Fax: (855) 206-8731

Overnight Mail: Forethought

One Forethought Center  
Batesville, IN 47006

## 15 Min. "Re:Call" Phone Interview

### *What is the interview about and how do I explain it to my clients?*

#### **About the Interview**

All clients will participate in 15 minutes of memory exercises. Some clients find this to be challenging mainly because they're striving for perfection. The exercises may seem elementary, but the results are very perceptive. Clients should be relaxed and in a quiet, private area.

Part 1: Clients are given 10 words and are asked to repeat back as many as they can remember. It is not important to remember all 10 words. Clients should take as much time as needed; there is no time limit. Writing and recording devices, however, are not allowed.

Part 2: Clients undergo a logic exercise. There are no right or wrong answers. It is simply a way to analyze your clients' decision making process.

#### **Conducting the Interview**

- Please call 877-272-0578 to begin the interview
- Client completes the Re:Call interview and memory exercises.
- At the end of the call, the interviewer will ask the client to put you back on the line. If the interview is not being conducted at the point-of-sale, Forethought will call you directly to provide results.
  1. **Approved: Premier** (3x Multiplier) or **Standard** (2x Multiplier).
  2. **Delayed decision:** Further underwriting required; an underwriter will call back within 15 minutes with a decision (between 9 a.m. - 5 p.m. ET).

- Unable to offer coverage:** Clients can call the sales desk for further information; they will receive a letter by mail explaining the decision.

### What if my client fails to qualify after the phone interview?

On occasion, a client may not qualify for ForeCare. Should this occur, please thank the client for participating in the process. ForeCare is not for everyone. Though they may be surprised by the decision, you can still position it as a valuable experience and take the opportunity to continue the planning conversation. Through further discussion you may uncover alternative ways you can help protect your clients while also reinforcing your value to them.

### Long-Term Care Benefit Charge<sup>1,2</sup>

*Joint Insured* charge is the average of the Single Insured (1-Buy) charge for each insured.

Single Life Insured 1-BUY		Insured Issue Age	Single Life Insured Married 2-BUY Discount <sup>3</sup>	
Annual Charge Rate Assessed Monthly (/12)	Monthly Charge Per \$1 of Contract Value		Annual Charge Rate Assessed Monthly (/12)	Monthly Charge Per \$1 of Contract Value
90 bps	0.00075	50-53	72 bps	0.00060
93 bps	0.00078	54	74 bps	0.00062
96 bps	0.00080	55	77 bps	0.00064
99 bps	0.00083	56	79 bps	0.00066
102 bps	0.00085	57	82 bps	0.00068
107 bps	0.00089	58	86 bps	0.00072
112 bps	0.00093	59	90 bps	0.00075
117 bps	0.00098	60	94 bps	0.00078
123 bps	0.00103	61	98 bps	0.00082
129 bps	0.00108	62	103 bps	0.00086
135 bps	0.00113	63	108 bps	0.00090
142 bps	0.00118	64	114 bps	0.00095
150 bps	0.00125	65	120 bps	0.00100
158 bps	0.00132	66	126 bps	0.00105
166 bps	0.00138	67	133 bps	0.00111
175 bps	0.00146	68	140 bps	0.00117
187 bps	0.00156	69	150 bps	0.00125
200 bps	0.00167	70	160 bps	0.00133
214 bps	0.00178	71	171 bps	0.00143
229 bps	0.00191	72	183 bps	0.00153
245 bps	0.00204	73	196 bps	0.00163
262 bps	0.00218	74	210 bps	0.00175
280 bps	0.00233	75	224 bps	0.00187
300 bps	0.00250	76-80	240 bps	0.00200

# More Care with ForeCare

## Product Highlights

### Insured Ages

50-80

Owner/annuitant ages\* 0-85

### Premium<sup>4,5</sup>

Minimum \$35,000 single and joint insureds

State Variations*								
	OREGON		VERMONT		WASHINGTON		WISCONSIN	
	SINGLE	JOINT	SINGLE	JOINT	SINGLE	JOINT	SINGLE	JOINT
STANDARD	\$60,000	\$70,000	\$85,000	\$100,000	\$35,000	\$35,000	\$70,000	\$80,000
PREMIER	\$40,000	\$50,000	\$60,000	\$70,000	\$35,000	\$35,000	\$45,000	\$60,000

\*Washington minimums may be higher when optional benefits are selected.

### Interest Rate

The interest rate is declared annually on the policy anniversary date, never less than the guarantee of 1%

### Covered Care

Home Care	Personal Care	Homemaker Services
Chore Services	Home Health Aide	Nurse and Therapist
Respite Care	Adult Day Care	Assisted Living
Nursing Home		Hospice Care

	Total Duration
Single Life	72 Months
Joint Life - Standard	84 Months
Joint Life - Premier	90 Months

### Cost of Insurance

- Based on the age of the insured at the time of purchase
- Rate will not increase
- Contract value at month end will not be less than the contract value at prior month end, less any withdrawals

### Married 2-Buy Discount

If two spouses purchased two policies (i.e., each spouse is an insured on one policy) at the same time, both policies receive the discount immediately. If the second policy is purchased at a later date, the second policy will receive the discount immediately; the first policy will begin receiving the discount on the next policy anniversary date.

### Withdrawals

- Up to 10% of beginning of year contract value can be withdrawn in any year without incurring surrender charges or market value adjustments
- Any non-LTC-benefit withdrawal will reduce long-term care benefits proportionate to the reduction in contract value
- Withdrawals may be subject to a surrender charge and a market value adjustment if applicable
- Withdrawals may be taxable



**Elimination Period**

- Home health care is available immediately
- 90-day elimination period for all other covered benefits

**Accelerated and Extended Benefits**

- Accelerated benefit is paid first until the contract value is reduced to zero
- Once the accelerated benefit is exhausted, the extended benefit is paid until the long-term care coverage is exhausted

**Joint Insured**

- Each spouse has access to an amount up to the maximum monthly benefit amount
- If both spouses take the maximum monthly benefit simultaneously, the benefit period will be shorter than the stated total duration shown on page 6

**Eligibility Requirements**

The insured must be unable to perform two of the six Activities of Daily Living or be severely cognitively impaired, as determined by a physician or licensed health care practitioner, to begin benefits.

The Six Common Activities of Daily Living (ADLs)		
Eating	Dressing	Transferring/ Mobility
Bathing	Using a Toilet	Continence

**Long-Term Care Benefits**

The benefits are paid as a reimbursement for qualified long-term care expenses to the contract owner.

**Death Benefits**

The entire contract value at the time of death is paid to the beneficiary. The surviving insured spouse may continue the policy. If the surviving spouse is not an insured, the LTC rider will terminate but the fixed annuity may be continued.

## Charges for Optional Benefits

### Optional Inflation Protection Benefit Charge<sup>6</sup>

Single Initial Charge as Percent of Full Premium

Insured Issue Age	Single Life Insured				Joint Life Insured <sup>7</sup>			
	BAND 1 <sup>8</sup>		BAND 2 <sup>9</sup>		BAND 1 <sup>8</sup>		BAND 2 <sup>9</sup>	
	1-BUY	Married 2-BUY <sup>3</sup>	1-BUY	Married 2-BUY <sup>3</sup>	Premier	Standard	Premier	Standard
50-53	20.6%	17.2%	14.2%	11.7%	38.7%	30.8%	28.0%	24.8%
54	20.8%	17.4%	14.2%	11.7%	38.7%	31.0%	28.1%	24.9%
55	20.9%	17.5%	14.2%	11.7%	38.8%	31.2%	28.2%	24.9%
56	21.0%	17.6%	14.2%	11.7%	38.9%	31.4%	28.3%	25.0%
57	21.1%	17.8%	14.2%	11.7%	38.9%	31.6%	28.5%	25.0%
58	21.3%	17.8%	14.2%	11.8%	39.0%	31.8%	28.6%	25.1%
59	21.5%	18.0%	14.3%	12.0%	39.1%	32.1%	28.8%	25.1%
60	21.8%	18.2%	14.5%	12.1%	39.2%	32.3%	28.9%	25.2%
61	22.0%	18.4%	14.6%	12.3%	39.2%	32.5%	29.0%	25.3%
62	22.2%	18.6%	14.7%	12.4%	39.3%	32.8%	29.1%	25.3%
63	22.5%	18.8%	15.0%	12.4%	39.4%	32.9%	29.3%	25.4%
64	22.7%	19.0%	15.1%	12.5%	39.7%	33.1%	29.7%	25.6%
65	23.0%	19.2%	15.2%	12.6%	40.0%	33.3%	30.1%	25.8%
66	23.2%	19.4%	15.3%	12.7%	40.3%	33.6%	30.5%	26.0%
67	23.4%	19.6%	15.3%	12.7%	40.5%	33.8%	30.9%	26.3%
68	23.7%	19.9%	15.5%	12.7%	40.8%	34.0%	31.3%	26.5%
69	23.9%	20.1%	15.8%	13.0%	41.5%	34.2%	31.9%	26.7%
70	24.1%	20.3%	16.0%	13.2%	42.2%	34.4%	32.4%	27.0%
71	24.4%	20.4%	16.3%	13.4%	42.9%	34.6%	33.0%	27.3%
72	24.6%	20.6%	16.6%	13.6%	43.5%	34.9%	33.6%	27.5%
73	24.8%	20.9%	16.9%	14.0%	44.2%	35.1%	34.2%	27.8%
74	24.9%	20.9%	17.2%	14.3%	44.3%	35.2%	34.3%	27.9%
75	24.9%	21.0%	17.5%	14.6%	44.4%	35.2%	34.4%	28.0%
76	25.0%	21.1%	17.8%	14.9%	44.5%	35.3%	34.5%	28.0%
77	25.0%	21.1%	18.0%	15.2%	44.6%	35.3%	34.6%	28.1%
78	25.1%	21.1%	18.4%	15.4%	44.6%	35.3%	34.7%	28.1%
79	25.1%	21.1%	18.7%	15.6%	44.7%	35.2%	34.8%	28.1%
80	25.1%	21.1%	19.1%	15.8%	44.7%	35.2%	34.9%	28.1%

### Optional Nonforfeiture Benefit Charge<sup>6</sup>

Single Initial Charge as Percent of Full Premium

Insured Issue Age	Single Life Insured		Joint Life Insured <sup>7</sup>	
	1-BUY	Married 2-BUY <sup>3</sup>		
50-68	1.5%	1.2%		2.4%
69	1.6%	1.3%		2.5%
70	1.7%	1.4%		2.6%
71	1.8%	1.5%		2.7%
72	1.9%	1.6%		2.8%
73	2.0%	1.6%		2.9%
74	2.1%	1.7%		3.1%
75	2.2%	1.8%		3.3%
76	2.2%	1.9%		3.5%
77	2.3%	2.0%		3.7%
78-80	2.4%	2.0%		3.8%

## Total of Charges for Both Optional Benefits<sup>6</sup>

Inflation Protection Benefit and Nonforfeiture Benefit  
Single Initial Charge as Percent of Full Premium

Insured Issue Age	Single Life Insured				Joint Life Insured <sup>7</sup>			
	BAND 1 <sup>8</sup>		BAND 2 <sup>9</sup>		BAND 1 <sup>8</sup>		BAND 2 <sup>9</sup>	
	1-BUY	Married 2-BUY <sup>3</sup>	1-BUY	Married 2-BUY <sup>3</sup>	Premier	Standard	Premier	Standard
50-53	23.1%	19.4%	17.0%	14.1%	44.3%	37.9%	35.6%	33.1%
54	23.2%	19.5%	17.0%	14.1%	44.4%	38.0%	35.7%	33.2%
55	23.3%	19.6%	17.0%	14.1%	44.4%	38.2%	35.8%	33.2%
56	23.4%	19.7%	17.0%	14.1%	44.5%	38.3%	35.9%	33.2%
57	23.5%	19.9%	17.0%	14.1%	44.5%	38.5%	36.0%	33.3%
58	23.7%	19.9%	17.0%	14.2%	44.6%	38.7%	36.1%	33.3%
59	23.9%	20.1%	17.1%	14.4%	44.7%	38.9%	36.3%	33.4%
60	24.1%	20.3%	17.3%	14.5%	44.7%	39.1%	36.3%	33.4%
61	24.4%	20.4%	17.4%	14.7%	44.8%	39.3%	36.5%	33.5%
62	24.6%	20.6%	17.6%	14.8%	44.8%	39.5%	36.5%	33.5%
63	24.8%	20.9%	17.8%	14.8%	44.9%	39.6%	36.7%	33.6%
64	25.0%	21.1%	17.9%	14.9%	45.1%	39.8%	37.0%	33.7%
65	25.3%	21.3%	18.0%	15.0%	45.4%	39.9%	37.3%	33.9%
66	25.5%	21.4%	18.0%	15.0%	45.6%	40.1%	37.7%	34.1%
67	25.7%	21.6%	18.1%	15.1%	45.9%	40.3%	38.0%	34.3%
68	25.9%	21.9%	18.2%	15.1%	46.1%	40.5%	38.3%	34.4%
69	26.1%	22.1%	18.5%	15.3%	46.6%	40.7%	38.8%	34.6%
70	26.4%	22.2%	18.8%	15.5%	47.2%	40.8%	39.2%	34.9%
71	26.6%	22.4%	19.0%	15.8%	47.8%	41.0%	39.7%	35.1%
72	26.8%	22.6%	19.3%	16.0%	48.3%	41.2%	40.1%	35.3%
73	27.0%	22.8%	19.6%	16.3%	48.9%	41.4%	40.6%	35.5%
74	27.1%	22.9%	19.9%	16.6%	49.0%	41.5%	40.7%	35.6%
75	27.1%	23.0%	20.1%	16.9%	49.1%	41.5%	40.8%	35.6%
76	27.2%	23.0%	20.4%	17.1%	49.2%	41.5%	40.9%	35.6%
77	27.2%	23.1%	20.6%	17.4%	49.2%	41.6%	41.0%	35.7%
78	27.3%	23.1%	20.9%	17.6%	49.3%	41.5%	41.0%	35.7%
79	27.3%	23.1%	21.3%	17.8%	49.3%	41.5%	41.1%	35.7%
80	27.3%	23.1%	21.6%	18.0%	49.3%	41.5%	41.2%	35.7%

- <sup>1</sup> Charges are waived when withdrawals are made for qualified long-term care reimbursements.
- <sup>2</sup> Assessed as annual number of basis points divided by 12 and multiplied by the contract value at the beginning of each contract month. Assessed beginning on issue date, but calculated after the application of any optional rider charge.
- <sup>3</sup> "Married 2-Buy" refers to the situation where two (2) single-life ForeCare Fixed Annuity Contracts are sold to spouses. "Married 2-Buy" rates apply when a single life annuity is sold, and the insured's spouse is the insured on another Forethought ForeCare Fixed Annuity. The discount applies to both annuities, even if one is already in force without the discount. The discount will apply on the next contract anniversary following the second contract's issue date.
- <sup>4</sup> State variations may apply.
- <sup>5</sup> Net of any optional rider charges if elected.
- <sup>6</sup> There is an up-front charge for these riders, which is deducted from the contract value at issue.
- <sup>7</sup> Joint Life Insured charge for the Nonforfeiture Benefit and Inflation Protection Benefit is the average of the Joint Life Insured charge for each insured.
- <sup>8</sup> Net premium of \$35,000 to \$199,999. Band is defined by premium paid, less optional rider charge assessed at issue.
- <sup>9</sup> Net premium of \$200,000 and above. Band is defined by premium paid, less optional rider charge assessed at issue.
- \*Joint ownership is limited to spouses.

ForeCare<sup>™</sup> annuities are issued by Forethought Life Insurance Company and available in most states with Contract FA1101SPDA-01 (certificate GA1101SPDA-01, as applicable) with Rider for Long Term Care Benefits Form LTC2000-01, Optional Inflation Protection Benefit Rider Form LTC2001-01 and Optional Nonforfeiture Benefit Rider Form LTC2002-01 (certificate series LTCG2000-01, LTCG2001-01 and LTCG2002-01, as applicable). Read the Contract for complete details. Products and features are subject to state variations and availability. This is a solicitation of LTC insurance. Guarantees are backed by the financial strength and claims paying ability of Forethought Life Insurance Company.

Not a bank deposit	Not FDIC/NCUA insured
Not insured by any federal government agency	
No bank guarantee	May lose value

## Forethought Life Insurance Company

### Corporate Office

300 North Meridian Street, Suite 1800  
Indianapolis, IN 46204

Sales Desk: (855) 447-2537

***forethought.com***

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