



## Group Long Term Care Frequently Asked Questions for Certificateholders (Insureds)

**Q. Why is Unum increasing premiums on these policies?**

A. The premium increases we are requesting are due to a number of factors that impact the pricing for long term care coverage, including persistency, mortality and morbidity. The LTC industry is still relatively young and claims experience trends are emerging differently than originally priced. As more customers recognize the value of LTC coverage, they are retaining this important insurance coverage at higher rates than anticipated, resulting in more claims as insureds age. This adjustment will result in your coverage's cost being more closely aligned with current products being sold in the market today.

**Q. I thought my premiums were guaranteed never to increase. Am I being singled out for this rate increase because of my age or health?**

A. No. As a guaranteed renewable insurance product, your premiums for long term care insurance will never increase based on changes in your age or health, however, the premiums for an entire class of customers can increase if necessary to ensure future claims obligations can be met. A change in premiums on a class basis must be actuarially justified.

**Q. When will my premiums increase?**

A. Premium for your inforce coverage will increase on the group policy's plan anniversary date. If your premium is paid through payroll deductions, your employer will be provided the increased amount to update your deductions. If you pay your premium directly to Unum, and the anniversary date is off cycle from your regular billing cycle, a bill will be sent to you for any prorated amounts from the time of the anniversary date through your next billing cycle.

**Q. Why did I receive an off-cycle bill for additional premium due?**

A. An off-cycle bill (commonly referred to as an "interim bill") is sent to you when a change in your premium is applied in the middle of your billing cycle, but after you already received a bill for that billing cycle. The interim bill is for the additional amount due for that billing cycle and it is due upon receipt.

**Q. When I compare the current cost to the new cost, the increase is not the exact percentage stated in the letter. Why?**

A. The actual increase percentage can and will vary based on the certificateholder's insurance age and current coverage amount. The percentage outlined in the letter is applied at the base rate level that supports all similar group long term care policies. Certain pricing adjustments are then applied to the base rates based on the demographics of the group policyholder. As a result of these adjustments and due to premium rate calculation rounding rules, the increase for the certificateholder's coverage may be higher or lower than the stated increase.

**Q. As a direct billed participant, my premium payment is withdrawn directly from my bank account. Do I need to complete a new bank withdrawal request for Unum to withdraw the increased premium amount?**

A. No. The premium will continue to be automatically withdrawn from your account unless you advise us otherwise. The new premium amount will be withdrawn beginning with the billing period that includes your rate increase effective date.

**Q. Will my premiums be increased again in the future?**

A. It is possible that future increases to your premium may be needed based on a number of developing factors, including overall claims experience.



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**Q. What are the options to reduce my cost?**

A. There are defined plan options that may be available to you under the group policy from which you obtained your current coverage. You can find these options by either visiting the informational website address provided in your premium increase notification letter or by contacting our Customer Service Center to obtain a paper enrollment kit. We recommend that you consult with a broker or other financial advisor prior to reducing your coverage. If you have additional questions, you can call our Customer Service Center at 1-800-227-4165.

**Q. How do I change my coverage?**

A. To decrease your coverage, please complete a *Request to Change Coverage* form; to increase your coverage, please complete a *Benefit Election* form and *Long Term Care Application*. Additional state-required forms may also need to be completed. You can obtain the necessary forms by visiting the informational website created for the group plan or you can request a paper enrollment kit by contacting the Unum Customer Service Center at 1-800-227-4165.

**Q. How long do I have to make any coverage changes before the effective date of the increase?**

A. Any requests to change coverage should be received 30 days in advance of the effective date of the increase.

**Q. How long do I have to continue paying premium in order to be eligible for the Contingent Non-forfeiture Benefit?**

A. You must pay premium for coverage up to the rate increase effective date in order to be eligible for the Contingent Non-forfeiture Benefit.

**Q. How can I estimate my Contingent Non-forfeiture (CNF) Benefit amount in the event that I cancel my coverage?**

A. If you discontinue paying premium for your coverage within the first 120 days following your rate increase effective date, then your coverage will automatically be placed in Contingent Non-forfeiture status. Contingent Non-forfeiture status means that your current Lifetime Maximum benefit will be reduced to the greater of the total premium paid into the policy for your coverage or one Facility monthly benefit amount. To estimate the total premium paid into the policy for your coverage, multiply your monthly premium by the number months that your coverage was in force and then compare this total premium amount to your current Facility monthly benefit (adjusted for inflation, if your coverage includes an automatic inflation provision). Your new reduced Lifetime Maximum benefit will be the greater of these two amounts. Note: If you changed your coverage at any point prior to the rate increase effective date and had a corresponding change in premium, then please contact our Customer Service Center at 1-800-227-4165 for assistance in determining the estimated total premium paid into the policy for your coverage.

**Q. What is the Enhanced CNF (ECNF) for Accelerated Payment Option (APO)?**

A. The ECNF is only available to participants who are enrolled in an APO and who have paid a certain percentage of the expected premium in the APO schedule. As a participant enrolled in an APO, if you qualify for the ECNF, the benefit may be of higher value to you than the standard CNF option. If you are enrolled in an APO, you will receive a letter notifying you of the options available to you.



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- Q. I am currently receiving Long Term Care benefits. Do I have to remit the new premium?**
- A. The premium increase will not impact your current claim. Your policy will continue to provide you with benefits in accordance with the terms of the coverage you purchased. The policy provision that waives premium will continue to work the same way. If your premiums are currently being waived, the new premium will also be waived until such time as you are no longer eligible for waiver of premium, as stated in your certificate of coverage. You will have to pay the increased premium only after you return to a premium paying status.
- Q. Whom should I contact at Unum if I have additional questions about this rate increase?**
- A. If you have additional questions, please contact the Unum Customer Service Center at 1-800-227-4165, Monday through Friday from 8 a.m. to 8 p.m. Eastern time.