

➤ What is Long-Term Care?

Long-term care is a range of medical services designed for patients who require on-going care from medical professionals, like nurses and medical service aids. It is ordered by a physician and can be provided in either a long term care facility or in the patient's own home.

WHO WILL NEED LONG-TERM CARE?

Most of us can expect to celebrate our 80th birthday¹. That's wonderful news. But studies show that nearly half of today's population over age 65 will need some form of long-term care². And while long-term care is primarily required by seniors, younger people may need long-term care too.

HOW WILL IT AFFECT MY FINANCES?

Long-term care costs can be expensive. For example, depending on their province, Canadians can spend up to \$4,770 a month out of their own pocket for facility care that's subsidized by government programs³.

The cost for private, non-subsidized retirement homes ranges from \$2,500 to \$7,000 per month⁴.

Even if you choose to remain at home when getting the care you need, you'll still have to pay for private nursing, and for services such as shopping, cooking and cleaning.

These expenses can add up to hundreds of thousands of dollars over a period of required long-term care.

While provincial health plans are fairly comprehensive, they cannot afford to pay the entire cost of care even for those facilities that are subsidized. There are often limits on the amount paid for care at home, and of course, they don't cover costs for private facility care.

WHERE WILL I GET THIS MONEY?

Should you require long-term care, you may be forced to put your spouse's retirement savings at risk, or you may have to liquidate your assets at a time when market conditions are poor, to help pay for the substantial cost of what could be years of professional care.

How can you protect your finances? You can save the money you may need. But it should be money you plan on never touching. Also remember that you can never be sure you'll have the time to save what you may need. Insurance is a better solution.

Long-Term Care Insurance provides a daily benefit if you lose the ability to care for yourself, and require the services of a long-term care facility or professional assistance at home.

Recent studies reveal that 42% of Canadians are concerned they'll have to care for their parents when they get older.⁵

With Long-Term Care Insurance, two generations are protected: Parents and Children. Long-Term Care Insurance helps you maintain your lifestyle and financial security by giving you the resources you need to remain independent, even in the face of a serious health setback. At the same time, it gives your children an alternative to providing you with the care themselves. It also protects your estate for your beneficiaries.

Most importantly, it gives you options, so that you can make decisions about personal care that are best for your particular needs.

1 LIMRA MarketingFacts, Summer 2001

2 New England Journal of Medicine

3 Province of Alberta health care web site.

4 Canadian Senior Year - Ken McNaughton, CFP, CLU, CH.F.C.

5 Ipsos-Reid, 2002

Long-Term Care Protection from RBC Insurance® gives you financial resources to help you preserve your assets and your retirement savings. It offers you these advantages:

- › An affordable way to pay the monthly cost of long-term care.
- › Select care in the setting that is most convenient and suitable for your needs, or receive professional attention in your own home, if you prefer.
- › Helps you pay for medical expenses that may be only partially subsidized by provincial health plans.
- › Benefits paid directly to you, regardless of government health care aid you may receive.
- › A flexible range of plan benefits, options and premium payment choices so you can choose the plan that's right for you.
- › Easy qualification requirements.

CHOOSE A PLAN THAT'S RIGHT FOR YOU

Long-Term Care Insurance from RBC Insurance offers flexible plan choices that can be tailored to your needs and budget. You can choose a benefit amount from \$10 to \$300 a day, and you can elect the amount of time benefits will be paid for. It's entirely up to you and your budget.

HOW DO I QUALIFY FOR BENEFITS UNDER LONG-TERM CARE INSURANCE?

Benefits are payable under the policy when:

- › Your physician diagnoses that you are unable to care for yourself due to cognitive impairment⁶ or a condition that results in your inability to perform 2 or more Activities of Daily Living; and

- › You require the services of a long-term care facility or professional assistance at home.

If you qualify for Long-Term Care benefits, a daily benefit is payable directly to you once the waiting period (if any) has been satisfied.

WHAT ARE ACTIVITIES OF DAILY LIVING?

Activities of Daily Living are used to measure your level of independence in terms of caring for yourself. These include bathing, dressing, eating, maintaining continence, toileting and transferring - as defined by the following guidelines:

- › Bathing - the ability to take a bath or shower or otherwise maintain adequate personal cleanliness, with or without the aid of special equipment.
- › Dressing - the ability to dress and undress, including putting on and taking off any medically necessary surgical appliance usually worn.
- › Eating - the ability to eat and drink, after food or drink has been prepared and made available.
- › Maintaining continence - the ability to voluntarily control bowel and bladder function, with or without the use of catheters, incontinence pads or other artificial aids.
- › Toileting - the ability to get to and from the toilet, get on and off the toilet and maintain an adequate level of personal hygiene.
- › Transferring - the ability to move without assistance in and out of a chair or wheelchair or bed, with or without the aid of equipment.

⁶ Cognitive impairment refers to problems with attention, memory, or other loss of intellectual capacity that requires supervision to help or protect the person impaired.

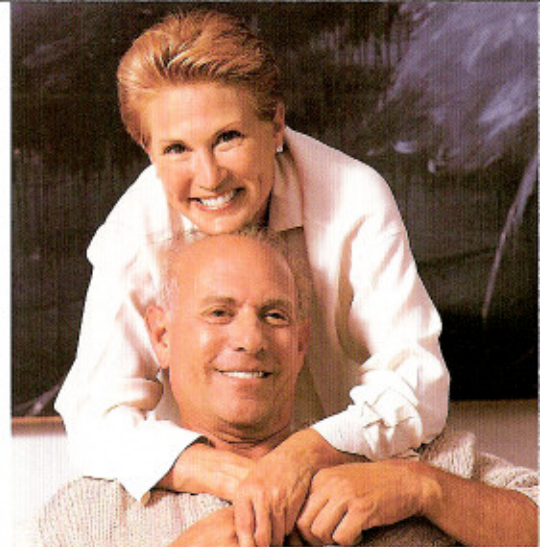
IT'S EASY TO FUND YOUR PREMIUM PAYMENTS

The LEAP Plan (Long-Term Care Easy Annuity Payment Plan) from RBC Insurance enables you to set aside funds in a term certain annuity, which then covers your annual premium payments for Long-Term Care Insurance. This is especially helpful if you find yourself unable to make regular payments, or if you want the peace of mind you get by arranging in advance for on-going premium payments.

If you decide not to use our LEAP Plan, your premium payments for Long-Term Care Insurance will only be required for a limited time – whichever is the longer of 20 years, or until you reach age 65. After that time, your coverage would remain in effect, with no further payments required. (Note: This limited premium payment period does not apply to the Future Purchase Option Benefit, for which premiums are payable until the full option amount is exercised.)

ARE MY PREMIUM PAYMENTS GUARANTEED?

Premiums for Long-Term Care Insurance are guaranteed not to increase for 5 years. After 5 years, premiums can increase, but the accumulated increase over the lifetime of the policy can never be more than 50% of the original premium. Premiums can only be increased on a class basis (plan type and province) and cannot be increased on an individual basis, regardless of your health. Plus, our Long-Term Care Insurance includes a Waiver of Premium Benefit, which means you pay no premiums while you're collecting long term care benefits.



OPTIONAL BENEFITS

Home Care Benefit

The Home Care Benefit reimburses you the cost of medically necessary services that are recommended by a physician and provided by a licensed nurse, authorized employee of a Home Care Agency, or private caregiver, in your own home.

Return of Premium

The Return of Premium Benefit returns to your beneficiary the sum of all annual premiums paid without interest for facility care, your annual policy fee and the premiums paid for the Return of Premium benefit at your death, if no facility benefit has been paid.

Cost of Living Adjustment Rider

Our Cost of Living Adjustment Rider (COLA) ensures that while you are receiving long-term care benefits, your daily benefit will be adjusted annually in line with the Consumer Price Index, to a maximum of 4%.

Future Purchase Option Rider

This rider allows you to buy additional long-term care coverage, up to a maximum amount on specified dates, without providing medical evidence.

RBC INSURANCE

At RBC Insurance, we offer an ever-expanding portfolio of insurance products to protect you and your family in the event of unexpected circumstances like the need for long-term care. We specialize in providing insurance solutions to meet all your personal and business needs, including life, disability, and accident insurance, as well as home, auto, and travel insurance.

At RBC Insurance, we make this simple but sincere promise to our customers: to provide you with the insurance knowledge, personal attention, and choices that allow you to make smart insurance decisions.

At RBC Insurance, you also benefit from the strength, stability, and tradition associated with one of the oldest and largest group of companies in North America – RBC Financial Group®.

This brochure is not a contract. Please contact your insurance representative or your nearest RBC Insurance Sales Office, who can assist you in making a decision regarding Long-Term Care Protection. Your RBC Insurance Representative will be glad to explain the information in this brochure in detail.

For further information, please contact:

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