

Physicians Mutual Insurance Company®

VISTA Care™ Choices

Tax-Qualified Long-Term Care Insurance





Choices Today For Tomorrow's Needs

Most people assume they will live a long life. If so, this means they are more likely to have an extended illness as they get older. You've worked hard to keep your family and finances safe. But when you get sick and need care, will you have the protection you require? **If you need assistance, who will take care of you?**

Caregiving is an act of love. Your family may want to take care of you, but they shouldn't have to do it by themselves. People don't just

put their hearts into providing care, they put their health into it as well, which makes caregiving stressful and time consuming. **What will providing care do to your family and finances?**

If you get sick, you may have to take money from your retirement funds to pay for your care. If this happens, you may not have enough savings to do everything that you had planned to do during retirement. **Who will help you pay?**

For all of these concerns, long-term care insurance from Physicians Mutual Insurance Company can help ensure that everyone's needs are satisfied and protected — both your needs and your family's needs.

With long-term care insurance, you can modify your home to allow you to live more safely, get special equipment for your new medical needs, or hire a personal nurse or caretaker. This policy can allow your family to care for you better and longer in the comfort of your own home. Plus, you can receive benefits for facility care, in case you need further help. A plan can be customized to fit your individual needs.

To help your family take care of you, we offer...

Covered Services In A Variety of Settings

VISTA Care™ Choices Tax-Qualified Long-Term Care Insurance automatically includes benefits for a wide range of long-term care services and settings:

Facility Care Benefits

- Nursing Home Care (Skilled, Intermediate and Custodial)
- Assisted Living Facility
- Hospice Facility

Home & Community Care Benefits

- Home Health Care (including homemaker services)
- Respite Care
- Adult Day Care Program
- Hospice Care

Monthly Maximum

This VISTA Care™ Choices insurance policy provides a **Monthly Maximum Benefit**. You select the amount of coverage that fits your needs. There are two components of your Monthly Maximum:

- **Facility Care Benefit amount:**

This is the maximum amount that you can receive for covered facility care services each month. You choose a Monthly Maximum from \$1,500 to \$12,000, in \$100 amounts.

- **Home and Community Care Benefit amount:**

These benefits are paid as a percentage of your Facility Care Benefit amount. You choose the percentage you want to receive — 100%, 75% or 50% of your Facility Care Benefit amount.

Benefit Multiplier

The Benefit Multiplier you select will determine your Maximum Benefit. Your agent can help you select the amount you need based on your own personal situation.

VISTA Care™ Choices offers the following Benefit Multipliers:

- | | |
|----------------------------------|-----------------------------------|
| <input type="checkbox"/> 2 Years | <input type="checkbox"/> 5 Years |
| <input type="checkbox"/> 3 Years | <input type="checkbox"/> 8 Years |
| <input type="checkbox"/> 4 Years | <input type="checkbox"/> Lifetime |

Maximum Benefit

Your Maximum Benefit is the total amount of benefits available to you. Here's how your monthly benefits are calculated...

Your Maximum Benefit will equal the Monthly Maximum you select, times the Benefit Multiplier you select, times 12 (Months). For example, if you selected a \$6,000 Monthly Maximum and a 3 Year Benefit Multiplier:

$$\begin{array}{r}
 \$6,000 \text{ Monthly Maximum} \\
 \times \quad 3 \text{ Year Benefit Multiplier} \\
 \times \quad 12 \text{ Months (Maximum Benefits} \\
 \qquad \qquad \qquad \text{are calculated per year)} \\
 \hline
 \$216,000
 \end{array}$$

Of course, as you receive benefits, your Maximum Benefit amount will decrease by the amount of benefits paid.

Here's Why A Monthly Maximum Is Important

This insurance policy gives you a Monthly Maximum Benefit rather than a Daily Maximum Benefit, which can make a **big difference** in how you receive benefits.

Compare two long-term care insurance policies:

- One with a \$6,000 Monthly Maximum
- One with a \$200 Daily Maximum (or approximately \$6,000 total Maximum for the month)

With a Monthly Maximum policy:

If you needed a \$240 service (for example, a visit from a home health aide) three days per week for a month, the monthly total for that service would be \$2,880. That service could be completely paid for under the insurance policy with the Monthly Maximum.

Monthly Maximum	Total Monthly Charge	Policy Pays	You Pay
\$6,000/mo	\$2,880	\$2,880	\$0

With a Daily Maximum policy:

However, the insurance policy with the Daily Maximum would pay only \$200 (the Daily Maximum) of that \$240 charge for each day. That means if you had a plan with a Daily Maximum, you would be responsible for the balance of that charge (\$40) each day, a total of \$480 per month.

Daily Maximum	Total Monthly Charge	Policy Pays	You Pay
\$200/day	\$2,880	\$2,400	\$480

In this example, the Monthly Maximum policy would **save** you from paying \$480 for long-term care out of your own pocket, even though the amount of monthly coverage from both policies is roughly the same!

Activities of Daily Living (ADLs)

The exact definitions of the Activities of Daily Living vary from state to state, but generally include:

Bathing

Washing oneself by sponge bath or in either a tub or shower, including the task of getting into or out of the tub or shower.

Continence

The ability to maintain control of bowel and bladder functions; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).

Dressing

Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.

Eating

Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.

Toileting

Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

Transferring

Moving into or out of a bed, chair or wheelchair.

Ask your agent for the specific definitions of ADLs in your state.

Elimination Period

An Elimination Period is the number of days you must wait before benefits are paid. Some plans require you to incur and pay expenses before your Elimination Period begins. With our plan, your Elimination Period begins the day a licensed health care practitioner certifies you as chronically ill and prescribes a plan of care. Plus, it counts every calendar day you are chronically ill, not just the days you receive care. So, with our plan, you could get benefits sooner, which may result in lower out-of-pocket expenses. Plus, after you satisfy your Elimination Period, you'll never have to satisfy it again for as long as you have this coverage.

Choosing Your Elimination Period:

When deciding on an Elimination Period, you may want to ask yourself how long you could pay for long-term care expenses before another source of funds would be needed. Some people plan to have substantial assets saved and set aside money to cover the initial costs associated with long-term care expenses. These people may prefer to have a longer Elimination Period. Others may be living on a fixed budget with fewer savings, or may not want to use their savings to pay for these expenses when they occur.

Your Elimination Period options are:

- | | | |
|---------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 0-day | <input type="checkbox"/> 30-day | <input type="checkbox"/> 60-day |
| <input type="checkbox"/> 90-day | <input type="checkbox"/> 180-day | <input type="checkbox"/> 365-day |

Qualifying for Benefits

To qualify for benefits, a licensed health care practitioner must certify you as a chronically ill individual in the past 12 months and prescribe a plan of care.

To be certified as a chronically ill individual, you must either:

- require substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment (like Alzheimer's disease) or
- be unable to perform at least two Activities of Daily Living (ADLs) without substantial assistance from another individual for a period of at least 90 days due to a loss of functional capacity.

Other Important Information About Your Plan:

Another Way to Receive Benefits

An Alternate Plan of Care can help provide another option and more flexibility with your health care. If there is a better way for you to receive care, other than the services we've already included, you may be able to receive benefits. A written Alternate Plan of Care must be a cost-effective plan in order to be covered under your insurance policy and provide benefits for your claims. The Plan must be approved by you, a licensed health care practitioner and Physicians Mutual.

Restoration of Maximum Benefit

With our long-term care policy, you can restore your Maximum Benefit as if no benefits had been paid, including any increases received by an Inflation Protection Rider (please see page 9). Plus, there is no limit to the number of times your benefits can be restored.

Example:

- Maximum Benefit - \$216,000

You become eligible for benefits and use \$60,000 of your coverage, leaving you with \$156,000. If after six months you meet certain requirements, that \$60,000 will be ADDED back INTO your Maximum Benefit, so you will once again have \$216,000 in long-term care protection.

Bed Reservation Benefit

While confined in a nursing home (or similar facility), it may become necessary for you to leave, perhaps to go to a hospital for medical treatment or to visit your family during the holidays. No matter what the reason, this benefit ensures you will have the same bed when you come back. While you are receiving Facility Care Benefits, and if the Elimination Period has been met, your bed can be reserved for up to 60 days per year. If your Elimination Period hasn't been met, each day that you are gone is counted toward your Elimination Period.

Waiver of Premium

Your peace of mind is especially important when you have an extended illness. With this feature, you don't have to worry about losing your coverage because you cannot pay your premium. After you have qualified for benefits for a period of at least six months, all future premiums are waived as long as you are eligible for benefits. You don't have to incur expenses for your premium to be waived.



Help With Your Long-Term Care Choices

Resource Advisor

Often times, when a long-term care need develops, it can come without warning. Many of us aren't prepared to know what to do, who to talk to, and how to arrange the necessary services. That is why VISTA Care™ Choices offers a Resource Advisor as part of this coverage. A Resource Advisor is available to assist you with questions about the following:

- benefit eligibility
- availability of resources in your area
- any other questions you may have about a claim for benefits

Care Coordination Advisor

After you have spoken with your Resource Advisor, and in the event you need additional care coordination assistance, we will arrange for a Care Coordination Advisor to contact you, at our expense. The Care Coordination Advisor will:

- be a licensed health care practitioner
- assess and coordinate appropriate care and services
- prescribe a plan of care appropriate for your condition
- monitor your plan of care, including periodic assessments of your situation
- assist with the necessary claims documentation



Additional Benefit Information

Once you're eligible for benefits, the following additional benefits are included in this policy and will not count toward your Maximum Benefit. The Elimination Period does not apply to these additional benefits.

First-Time Cash Benefit

VISTA Care™ Choices features a First-Time Cash Benefit to help with unexpected costs that may arise. The first time you are eligible for benefits, we will pay a one-time lump sum of \$1,000. This benefit will only be paid once in your lifetime and can be used for any reason.

Home First Benefit

To help provide greater comfort and assistance in your home, we've included a Home First Benefit. We will pay the expenses for the following:

- Medical Alert System
- Durable Medical Equipment (*purchase, rental or lease*)
- Home Safety Check

The Lifetime Maximum for this benefit is equal to two months of your Facility Care Benefit, including increases in that benefit amount as a result of an Inflation Protection Rider (please see page 9).

Ambulance Service Benefit

We will pay up to \$75 per trip (with a Lifetime Maximum of \$300) for the expenses you incur for transportation to or from a nursing home, assisted living facility, a hospice facility or a hospital, by a local licensed ambulance service.

Home Modification Benefit

We understand that you may need to modify your home to accommodate some chronic illnesses. We will pay expenses for modifications to your home that are primarily being made to improve your

Limitations

We will not pay for expenses you incur: (1) while your policy is not in force; except as provided in the Extension of Benefits provision; (2) due to intentional, self-inflicted injury or attempted suicide; (3) that are payable by Medicare or any other federal or state program, except Medicaid (*Except in MI*); (4) outside the United States, its territories or possessions; except as described in the International Coverage Benefit; (5) that are payable under any workers' compensation or employer's liability laws (*Except in MI*); (6) due to treatment for alcoholism or drug addiction; (7) due to injuries or sickness resulting from an act of declared or undeclared war; or (8) for services provided by a family member, unless: (a) the family member is a licensed health care practitioner; (b) the family member is a regular employee of the organization furnishing the service of care; (c) the organization receives the payment for the services; and (d) the family member receives no compensation other than the normal compensation for employees in his or her job category. (9) *In MI*: for any services for which you are not obligated to pay.

ability to perform the Activities of Daily Living and allow you to live safely in your home.

Modifications include, but are not limited to:

- building ramps or widening doorways to accommodate a wheelchair
- purchase or rental of a stair glide
- installation of grab bars and hand rails
- bath or shower modifications

The Lifetime Maximum for this benefit is equal to two months of your Facility Care Benefit, including increases in that benefit amount as a result of an Inflation Protection Rider (please see page 9).

Informal Caregiver Training Benefit

It's a comfort to be at home when you're not feeling well and need caregiver help. But when the formal caregiver is not there, you may want an informal caregiver to assist you. This could be a spouse, family member or friend who would help take care of you in your own home. We will pay for the expenses of educating an informal caregiver equal to 20% of your current monthly Facility Care Benefit.

International Coverage Benefit

Your eligible benefits can be accessed anywhere in the world. VISTA Care™ Choices provides coverage to you outside of the United States.

The Lifetime Maximum for this benefit is equal to one month of your Facility Care Benefit, including increases in that benefit amount as a result of an Inflation Protection Rider (please see page 9).

See Outline of Coverage for full information about these benefits.

Optional Benefit Riders

Discount Riders

Because we value our policyowners, we offer special discounts with our insurance policies.

Spouse Premium Discount Rider

When you and your spouse are issued a VISTA Care™ Choices insurance policy, you both receive a 30% discount on your total premium amount.

Married Premium Discount Rider¹

If you are married and your spouse does not have a VISTA Care™ Choices plan with us, you still receive a 10% discount on your total premium amount when your policy is issued.

Family Member Premium Discount Rider

If you have lived with a family member in your home for at least two years and both of you are issued a VISTA Care™ Choices insurance policy with us, you both receive a 10% discount on your total premium amount.

Spousal Riders

When you and your spouse each purchase a policy, you can further enhance your coverage with these optional riders.

Shared Care Benefit Rider²

When you select this option, you and your spouse have access to a shared third pool of money that is available if the Maximum Benefit under either of your policies has been exhausted. This additional money is equal to the Maximum Benefit amount that you and your spouse select. With this rider, you both can receive benefits at the same time, if needed, until the maximum amount of your Shared Care Rider is exhausted. Plus, you can still use the money, even if your spouse dies or you get divorced.

If you have purchased an Inflation Protection Rider, the remaining Shared Care Maximum will increase in the same manner as the Maximum Benefit (please see page 9).

Surviving Spouse Waiver of Premium

When you and your spouse both select this rider and one of you should unfortunately pass away, the surviving spouse's premium becomes paid-up following the latter of the date of death or on the tenth anniversary of their policy. There are no restrictions as whether or not either spouse has had any claims for benefits prior to that date.

Joint Waiver of Premium

When you and your spouse both select this rider, both of your premium payments will be waived if one of you meets the requirements for the Waiver of Premium Benefit in their policy.

Limitations

(1) Not available in MI.

(2) Not available with the Lifetime Benefit option. The Shared Care Benefit provision provided by this rider will apply only if: (a) you and your spouse have the same policy effective date and rider effective date for coverage with us under the same policy form with this rider form attached to both policies; and (b) you and your spouse's coverage are continuously in effect from the rider effective date until the date that we begin providing benefits under the Shared Care provision of this rider.

(3) The Surviving Spouse Waiver of Premium provision provided by this rider will only apply if: (a) you and your spouse have the same policy effective date and rider effective date for coverage with us under the same policy form with this rider form attached to both policies; (b) your coverage is continuously in effect from the rider effective date until the date that we begin to waive your premiums under the waiver of premium provision of this rider; and (c) your spouse's coverage is continuously in effect from the rider effective date until the earlier of: (i) the date of death of your spouse; or (ii) the date your spouse's policy terminates after we have paid out the maximum benefit amount.

(4) The Joint Waiver of Premium provision provided by this rider will only apply if: (a) you and your spouse have the same policy effective date and rider effective date for coverage with us under the same policy form with this rider form attached to both policies; and (b) you and your spouse's coverage are continuously in effect from the rider effective date until the date that we begin to waive your premiums under the waiver of premium provision of this rider.

Additional Riders

Home Cash Benefit Rider¹

The Home Cash Benefit amount is additional money that helps you stay in the comfort of your own home. The benefit amount is equal to 20% of your Home and Community Care Benefit amount and will be paid to you each month when you receive at least one day of Home and Community Care that month. If you have purchased an Inflation Protection Rider, your Home Cash Benefit amount will also increase (please see page 9).

Waiver of the Elimination Period for Home and Community Care Rider²

When you select this rider and qualify for benefits, your Home and Community Care Benefits start immediately, helping to protect your family and finances from the extra cost of your care. In addition, each day you are eligible to receive Home and Community Care Benefits means another day of your Elimination Period has been satisfied, in case you need facility care in the future.

Return of Premium Rider

When you select this rider, upon your death, your family will receive the total amount of premiums paid for your policy and all riders attached, less the total amount of benefits paid. If the total of benefits paid exceeds the total of premiums paid, this Return of Premium benefit will be zero.

Full Return of Premium Rider

When you select this rider, upon your death, your family will receive the total amount of premiums you've paid, regardless of whether you have received benefits under your policy. So, your family is guaranteed to get back everything you have paid into your policy.

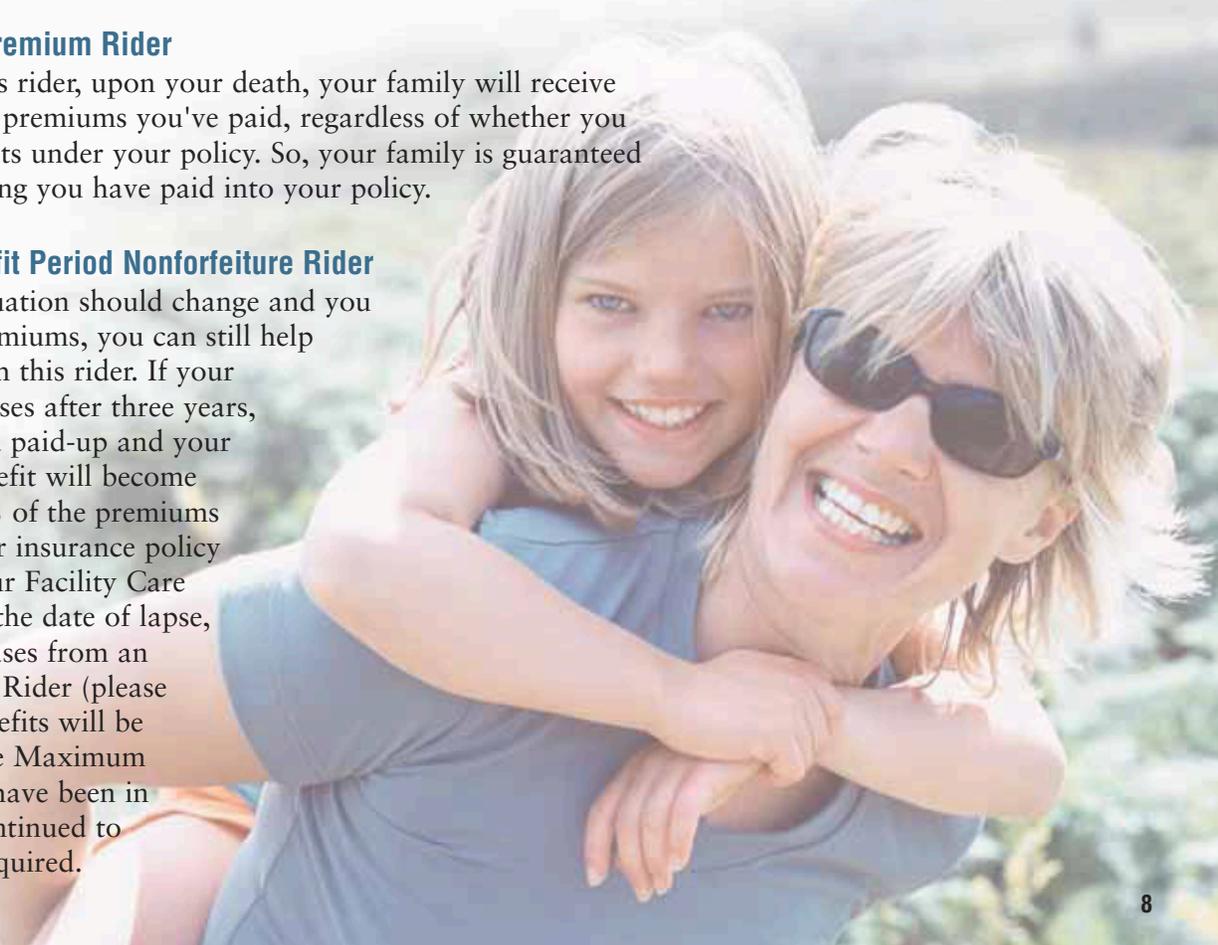
Shortened Benefit Period Nonforfeiture Rider

If your financial situation should change and you can't pay future premiums, you can still help protect yourself with this rider. If your insurance policy lapses after three years, it will be considered paid-up and your new Maximum Benefit will become the greater of 100% of the premiums you've paid for your insurance policy and its riders or your Facility Care Benefit in effect on the date of lapse, including any increases from an Inflation Protection Rider (please see page 9). No benefits will be paid in excess of the Maximum Benefit that would have been in effect if you had continued to pay premiums as required.

Limitations

(1) The Home Cash Benefit provision provided by this rider will not apply if: (a) you have been confined in a nursing home, an assisted living facility or a hospice facility for any part of the calendar month; or (b) you are receiving care or services outside the United States of America, its territories and possessions.

(2) The Waiver of Elimination Period for Home and Community Care provision provided by this rider will not apply if: (a) you are confined in a nursing home, an assisted living facility or a hospice facility; or (b) you are receiving care or services outside the United States of America, its territories and possessions.





Inflation Protection Riders

With medical costs rising, long-term care is becoming more and more expensive. If your insurance benefits don't increase in order to keep up with the growing costs, you may not have the coverage you need. You can help offset these rising costs by adding one of our Inflation Protection Riders to your policy.

Automatic Compound Inflation Protection Benefit Rider

On each insurance policy anniversary, your Facility Care Benefit, Home and Community Care Benefit, and remaining Maximum Benefit will automatically increase by 5% of the current benefit.

Automatic Compound Inflation Protection Benefit Rider — 2X Maximum

On each insurance policy anniversary, your Facility Care Benefit, Home and Community Care Benefit, and remaining Maximum Benefit will automatically increase by 5% of the current benefit. The benefit amounts will keep increasing until the Facility Care Benefit and Home and Community Care Benefit are double the amount of the original benefits on the effective date of this rider, there after no increases will occur.

Automatic Simple Inflation Protection Benefit Rider

On each insurance policy anniversary, your Facility Care Benefit, Home and Community Care Benefit, and remaining Maximum Benefit will automatically increase by 5% of their original amounts.

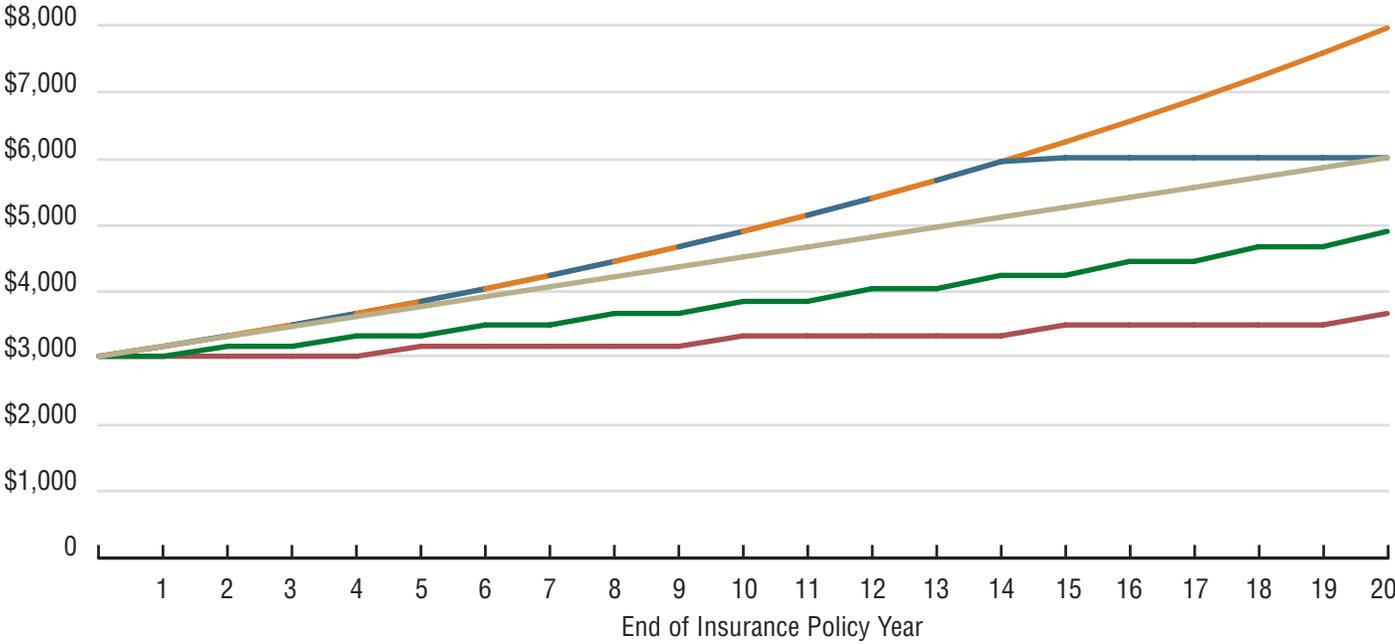
Guaranteed Purchase Option Rider

On each insurance policy anniversary, if your Waiver of Premium Benefit is not in effect, you have the option to increase your Facility Care Benefit, Home and Community Care Benefit, and remaining Maximum Benefit by 5% of the current benefit. Each time you exercise this option, the premium increases accordingly for the increased benefit amount, based upon your attained age.



How Inflation Protection Riders Help Your Benefits Grow

The graph below shows how a \$3,000 Facility Care Benefit would grow over time with the purchase of different Inflation Protection Riders. The Guaranteed Purchase Option Rider is illustrated as exercised every two and every five years. The Automatic Compound Inflation Protection Benefit Rider automatically increases the Monthly Maximum by 5% each year the insurance policy remains in force. Over a 20-year period, each \$100 of Monthly Maximum would grow to approximately \$265 of Monthly Maximum, regardless of age or changes in health.



- Guaranteed Purchase Option Rider, 5% every five years
- Automatic Compound Inflation Protection Rider — 2X Maximum
- Guaranteed Purchase Option Rider, 5% every two years
- Automatic Compound Inflation Protection Rider
- Automatic Simple Inflation Protection Rider

You May Need A Plan... We Can Help

For over 100 years, Americans have turned to Physicians Mutual Insurance Company for advice on how to help their families.

With over 30 years of experience in long-term care insurance, we have the financial strength, stability and quality service you may need in order to create a plan that may help protect you and your family.

In recognition of our financial strength, we have received an “A Excellent” rating from the A.M. Best Company, independent insurance analysts.

At Physicians Mutual®, we conduct business with absolute honesty and integrity. Our values have not changed, and we remain true to our promise . . .

We're here when you need us.®



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Additional Policy Features:

No Waiting Period for Pre-existing Conditions

Some long-term care insurance policies require you to wait up to six months before pre-existing conditions are covered, but not with this insurance policy. If all information is disclosed accurately on your application, you are eligible for coverage with no waiting period for prior health problems once your insurance policy is in force.

Tax Qualification

Tax-qualified long-term care insurance policies can provide certain tax benefits. Ask your financial advisor for more information about the potential tax benefits.

Guaranteed Renewable

Your insurance policy will always be renewable for as long as you wish to continue making timely premium payments.

Late Payment Protection

To help assure that your policy doesn't lapse by mistake, you may designate another person for us to notify if we do not receive your premium payment on time.

Limited Pay Options

VISTA Care™ Choices allows you to fully pay for your policy within a set period of time. The options are:

- 10-Year Payment
- 20-Year Payment
- Paid-Up at Age 65

This insurance policy is a tax-qualified long-term care insurance policy. This brochure is a brief description of coverage, not intended to provide full details of the policy. For further details of this insurance policy (P146), including benefits, limitations, exclusions, costs, specific provisions for your state and how to keep your coverage in force, please read your Outline of Coverage and insurance policy carefully upon receipt. Eligible ages for this insurance policy are 18 through 84. Insurance policy options and benefits may vary and some may not be available in your state. If you have any questions about this insurance policy or the benefits, please ask your agent.