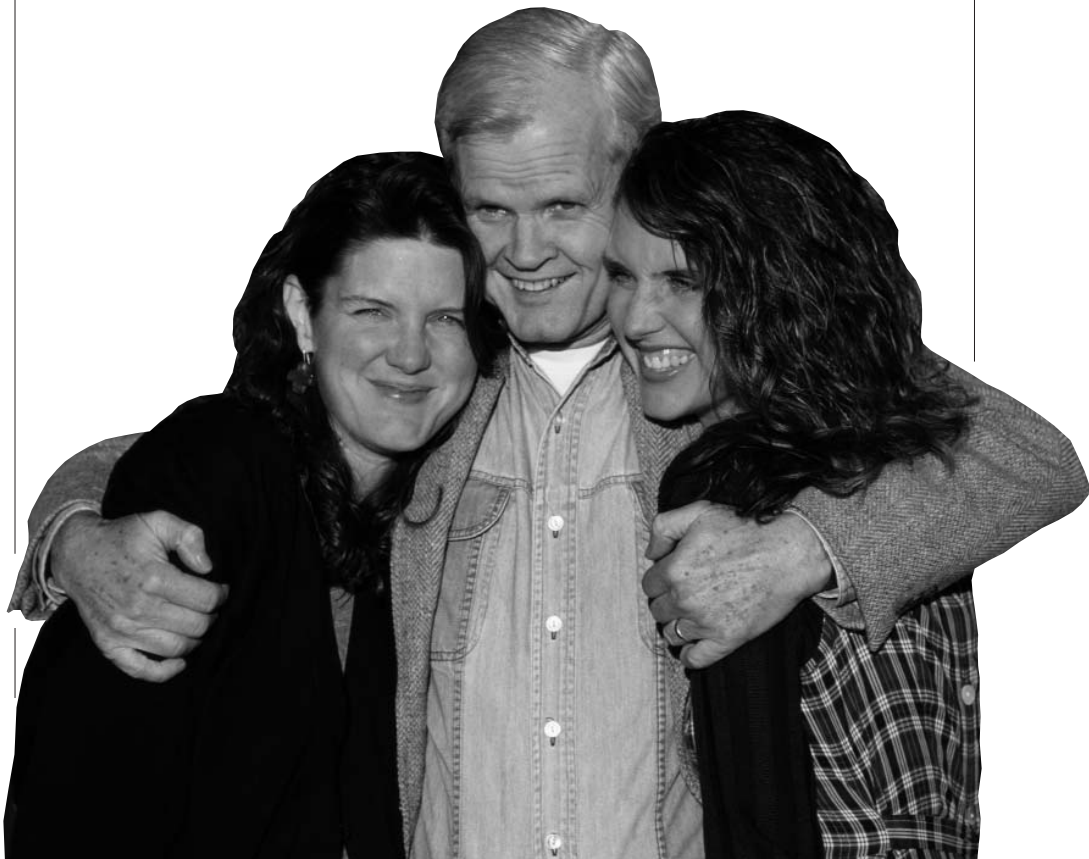


MEDAmerica

An Excellus Company

*An important new benefit:
Long-Term Care Insurance*

the
caring
part of your
financial
plan.



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About MedAmerica—Your Employer’s Chosen Insurance Carrier.

MedAmerica Insurance Company and MedAmerica Insurance Company of New York (“MedAmerica”) are subsidiaries of a \$4-billion not-for-profit company that finances and delivers health care to more than 2 million people and provides long-term care insurance across the nation.

MedAmerica has been offering quality long-term care insurance to employer groups and individuals for more than 15 years. We are recognized as an industry leader for our quality products, excellent service, strong financial position and above all, our total commitment to helping our policyholders and their families when long-term care services are needed. We proudly point to more than 85,000 customers across the country as evidence of our quality, caring approach to providing long-term care insurance.

A Heritage of Caring

Our commitment: To actively improve the quality of life for those we serve.

MedAmerica works to actively improve the quality of life for those we serve through our unique approach to benefit planning services. When an insured chooses to use our benefit planning services, they will receive assistance from a Personal Care Advisor who will help them and their family members identify providers and services to meet their needs.

Our personal care advisors are a source of comfort as well as information for insureds and their families throughout the long-term care experience.

As our customers have told us repeatedly, it’s not only what we do, but also how we do it that makes MedAmerica different... a caring company.

MedAmerica’s

Mission:

*“To provide
affordable,
dignified access
to needed and
effective
long-term
care services.”*





What is Long-Term Care?

Who needs it?

Long-term care is assistance you need if you are unable to carry out the basic activities of everyday living—bathing, continence, dressing, toileting, eating, or transferring, such as from a chair or bed. The need could arise from an accident, injury or a debilitating illness. Or it could simply be the natural result of aging.

You could need long-term care at any time, at any age.

The actual risk for needing long-term care is greater than 50%.¹

Over 40% of Americans receiving long-term care are under 65 years old.²

Forty percent of today's retirees who left the work force earlier than expected say they did so because of health problems or disability.³

Also, the need for long-term care is likely to increase as life expectancy rises.

Preparing for long-term care is essential for families today. Without planning, your loved ones may be faced with the burden of making decisions for you, not to mention having to provide care or pay the bills for your care themselves.

Long-term care is different from the skilled, short-term care you would receive in a hospital. It is extended care you would receive at your home, in an assisted living or a nursing facility, adult day care center or hospice program.



The Financial Risk:

Who pays for long-term care?

Only a small portion of the long-term care services you are likely to need are covered by health insurance, Medicare or Medicaid. Individuals pay for most of this expense themselves with their own savings.

Consequently, more than half of the patients who begin paying for long-term care become impoverished within one year and become eligible for Medicaid.⁴

Long-term care is expensive. The average cost of a private room in a nursing home is over \$153,000 per year in some parts of the country.⁵

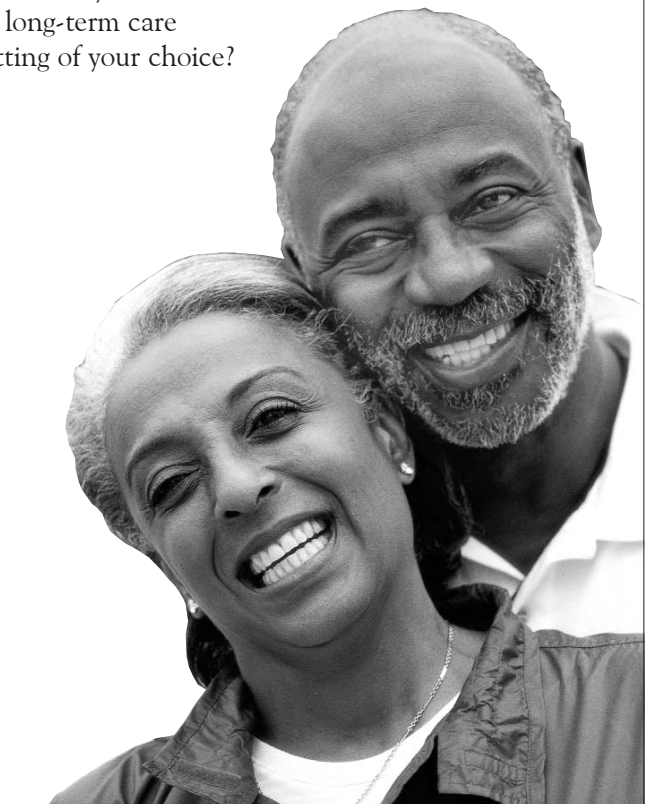
Considering that the average length of stay in a nursing home is about 2.4 years,⁶ the total expense for long-term care could jeopardize your life savings.

Even if you plan to remain at home for as long as possible, you should know that the national average cost of home care is over \$52,000 a year.⁷

And care in an assisted living facility could cost as much as \$48,000 per year, depending on the level of assistance you require.⁸

Clearly, the financial impact of needing long-term care could be devastating.

Would your retirement savings be adequate to finance your care? If not, how will you ensure that you can receive necessary long-term care services in the setting of your choice?



Protect Your Assets.



MedAmerica's insurance protects you! You are able to choose how, when and where to receive your long-term care services and protect your financial future in the event long-term care is needed.

If you're planning for your financial security, long-term care insurance is a vital component of your financial plan.

Think of long-term care insurance as the caring part of your financial plan—giving you the financial means to help pay for your care while helping to protect the savings and assets you've spent a lifetime accumulating.



Protect Your Independence:

Long-term care insurance provides choice, independence and peace of mind.

If you're like most people, you don't want to rely on others or burden your family with the unexpected responsibility of caring for you at home, or paying for your care in a facility. With long-term care insurance, you will have choices in how and where you will receive care. If you value your independence and object to the thought of having care decisions made for you, long-term care insurance offers you the peace of mind knowing you will be in control.

Secure Your Future

Consider long-term care insurance to:

1. Protect Your Assets.

Protecting your financial future is important. Why risk draining your assets and compromising your freedom?

A long-term care insurance plan is a cost-effective way to fund the costly expense of long-term care while also helping to preserve your savings and assets.

2. Protect Your Independence.

If you want to remain independent and not have to burden your loved ones to provide care or finance your care, then consider long-term care insurance. Long-term care insurance provides coverage for home care, nursing facility or assisted living facility and community-based expenses, offering you a full range of long-term care options.

3. Keep Peace of Mind, Today and Tomorrow.

Your Employer selected this plan for its quality benefits design, value, and excellent pricing.

Now is the time to secure your financial and retirement future!



Family Matters.

Members of your extended family may also be eligible to enroll at these group rates.

Protect your loved ones!

Your spouse and other family members may also be eligible to apply for coverage at the same excellent rates.

Call 1-800-544-0327 or visit www.MedAmericaLTC.com for details.



P.S. Remember to share this information with your eligible family members!

The Choice is Yours:

Design a plan to fit your needs.

Benefits

As a valued employee or retiree, you have choices to make regarding your long-term care insurance plan.

Care Directions Premier is a leading tax-qualified plan which offers a flexible design of quality comprehensive benefits. With Care Directions Premier, you design the plan that's right for you. Coverage includes:

- Home care
- Assisted living facility care
- Adult day care
- Nursing facility care
- Hospice program services

Here's How You Design a Plan:

1. Choose Your Daily Benefit Amount.

You should select the Daily Benefit Amount based on the cost of care where you live or where you plan to retire, and a premium you are comfortable with. Nursing facility rates can be found on our Web site, www.MedAmericaLTC.com or by calling our Customer Service Department, toll free at 1-800-544-0327.

2. Choose Your Lifetime Benefit Amount—Your “Pool of Money”.

All benefit payments are deducted from a Lifetime Benefit Amount, commonly referred to as a “Pool of Money”.

Coverage continues until the Lifetime Benefit Amount is exhausted. The Lifetime Benefit Amount is determined by selecting a Daily Benefit Amount and multiplying it by Benefit Days. The example below is based on a Daily Benefit Amount of \$150 and Benefit Days totaling 3 years:

Lifetime Benefit Amount

$$\$164,250 = 1095 \text{ days (3 yrs.)} \times \$150/\text{day}$$

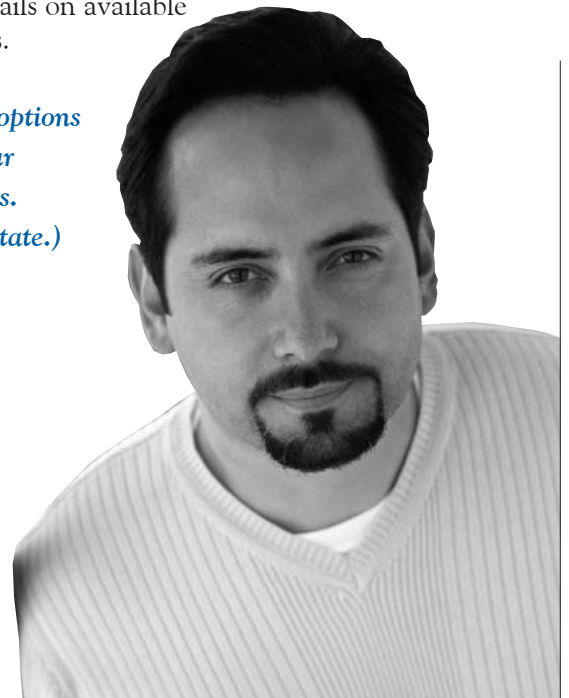
3. What About Inflation Protection?

The value of the coverage you buy today should be protected from increases in long-term care costs that may occur over the years. Choosing Inflation Protection builds the Daily Benefit Amount and “Pool of Money” over time.

4. Payment Plans.

Please refer to your enrollment materials for details on available payment options.

(Plan features and options are described in your enrollment materials. Plan may vary by state.)



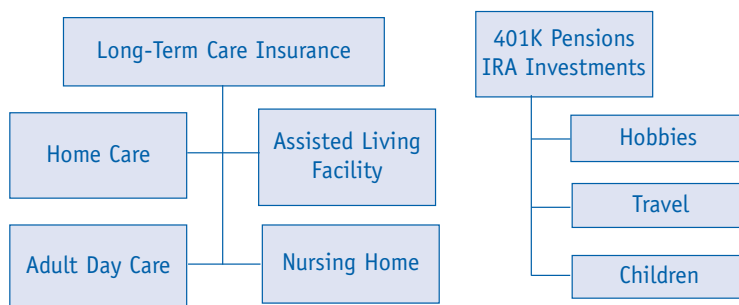
Enroll Now!



If you're dreaming of the day when you can spend more time with your children, travel the globe or pursue the hobby of your youth, you should protect your priorities with long-term care insurance. Consider long-term care insurance as the *caring part of your financial plan* for these reasons:

- The risk of needing long-term care is significant, regardless of age.
- Long-term care is expensive, often causing depletion of assets.
- The ideal time to purchase long-term care insurance is now, because rates are based on age and health status.

Is Your Financial Plan Complete?



BUYING NOW, BUILDS VALUE

Issue Age	Initial Lifetime Benefit Amount	Lifepay annual premium rates	Total premiums paid to age 80	Value of Lifetime Benefits at age 80*
40	\$153,300	\$ 603	\$24,120	\$1,079,230
50	\$153,300	\$ 940	\$28,200	\$ 662,554
60	\$153,300	\$1,567	\$31,340	\$ 406,751

Illustrative purposes only. Premium rates based on \$140 Daily Benefit Amount, 3-year Benefit, 90-Day Elimination Period.
*Assume 5% Compound Inflation. Assume need care at age 80.

Owning a long-term care insurance policy is always a wise choice. However, the younger you are when purchasing insurance, the lower your annual premiums AND your premium dollars will yield a greater return. So act now and take advantage of your employer's special group rates!

Once you've decided to consider long-term care insurance, there are significant reasons for enrolling now:

Because long-term care insurance premiums are based on your age when you apply, the younger you are, the lower your premium.

Plus, the premium is designed to remain level throughout the term of payment. This means that your long-term care

insurance premium will not change in the future based on your age or health.

If you buy now, you can take advantage of the lowest rate available to you under this group plan.

Also, keep in mind that once you are accepted for coverage, your coverage cannot be cancelled due to a change in health.



How To Enroll

- **Contact Customer Service to request more information, at 1-800-544-0327 or visit www.MedAmericaLTC.com.**
- **Attend a worksite seminar.**
- **Request a personal consultation.**

Notes:

¹ LifePlans, Inc., January 2001

² "Long-Term Care Chart Book: Persons Served, Payers, and Spending," The Urban Institute in Collaboration with the Congressional Research Service, May 5, 2000

³ "Retirement Confidence Survey," American Savings Education Council, 1999

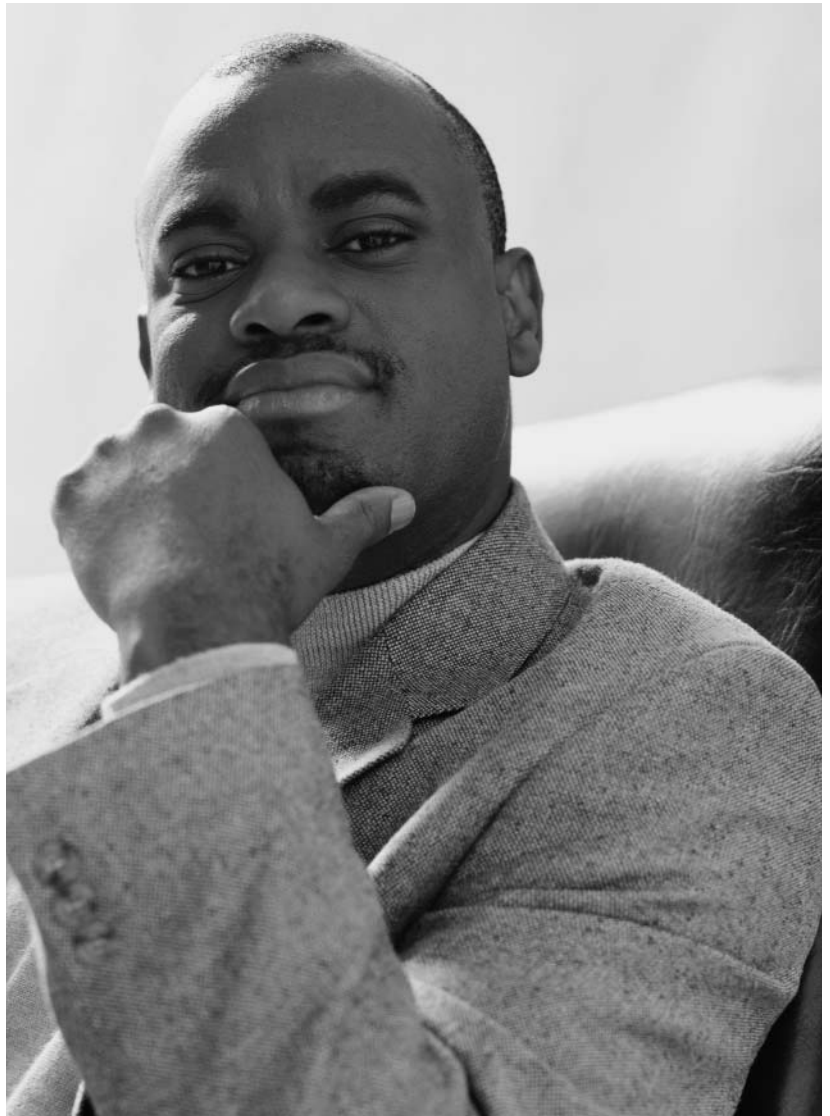
⁴ "Cash Crunch: The Financial Challenge of Long-Term Care for Baby Boomers," U.S. Senate Special Committee on Aging, 1998

⁵ "Nursing-Home Costs are Climbing," The Wall Street Journal, August 5, 2003

⁶ Ibid.

⁷ Ibid.

⁸ "Living Alternatives: Guide to Assisted Living Facilities," Coordinate Care Solutions, 2003



MEDAmerica

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www.MedAmericaLTC.com

Count on us for the long term.