

Live how you want,  
where you want, with Generation Protector II.



Freedom of choice and the comfort of home  
in one long term care insurance policy

**Generation Protector II™**



## Generation Protector II from Allianz Life<sup>®</sup> can keep you where your heart is – your own home.

Generation Protector II™ is long term care insurance that's more than just nursing home coverage. It pays for health care rendered in the familiar surroundings of a place dear to your heart – your own home. This kind of care honors your independence, protects your privacy, and respects your dignity.

And just as you made the place you live your home, you can design a plan that protects you, your family, and your lifestyle with Generation Protector II. For instance, you can benefit from:

- A hybrid policy that combines reimbursement and cash options, but is priced more like a traditional reimbursement-only policy
- A coverage-enhancement feature that allows you to increase your coverage every five years without underwriting
- Flexibility to employ your own independent caregivers
- 130% home care option - 30% more coverage to keep you in your home longer
- Flexible premium options that include paying up your policy in 10 equal payments or by age 65

# You can count on Allianz Life for the long term.

As you plan for your future, you want a company you can trust to be there in your time of need. Allianz Life is that company.

## Take comfort in global stability.

Founded in 1896, Allianz Life is a leading provider of long term care insurance products, fixed and variable annuities, and life insurance. It is one of the primary companies of the Allianz Group – a provider of asset management services, banking, and life, health, and property-casualty insurance in over 70 countries around the globe.

## Rely on our staying power.

Built from this solid foundation of providing insurance and financial services, Allianz Life has made long term care coverage our business since 1990. We are pleased to offer some of the most competitive and innovative long term care insurance products available. Our ongoing commitment is to provide flexible and comprehensive coverage at affordable prices to help protect your nest egg, while offering options that let you tailor coverage to your individual financial needs.

From innovative products to exceptional customer service, Allianz Life is a trusted source for providing people just like you the coverage you need. When it comes to long term care insurance, we'll be here for a long, long time.



# Now that you've heard about long term care insurance, you may be wondering if you need it.

You've been working hard to build a financial future for yourself and your family. No doubt you're looking forward to many years of fun, comfort, and relaxation. In this day and age, you don't have to let long term care expenses get in the way of a long and happy retirement. And knowing the facts is the first step to being prepared. Just consider that:

- At least 40% of people over age 65 will need nursing home care someday, and of those people, about 10% will stay in a nursing home for five or more years.<sup>1</sup>
- The average cost of living in a nursing home in the United States is \$57,700<sup>2</sup> per year (not including what may be the cost of a spouse or adult child continuing to live at home).
- The average nursing home stay (approximately 2.4 years) will cost nearly a half million dollars (\$468,960) by the year 2030.<sup>2</sup>
- Two-thirds of single people and one-third of married couples exhaust their funds after just 13 weeks in a nursing home. Within two years, 90% will be bankrupt.<sup>3</sup>



Now consider that long term care doesn't automatically mean "nursing home." Many people receive health care services outside the walls of the traditional care facility. In fact, some stay right in their own homes and hire skilled professionals who help with activities like bathing, dressing, and even some basic medical attention.

So even if you don't anticipate needing care at a nursing home, you may still benefit from long term care insurance. Here are some more facts to help you think it through:

- 7.6 million individuals are receiving home care services.<sup>4</sup>
- Home care on average costs \$18.00 per hour – over \$52,000 per year for 8 hours of care per day.<sup>5</sup>

<sup>1</sup> [www.medicare.gov](http://www.medicare.gov), March, 2005.

<sup>2</sup> *Kiplinger's Retirement Report*, March 2004.

<sup>3</sup> *2004 Field Guide*, National Underwriter, 2004.

<sup>4</sup> *Basic Statistics about Home Care*, National Association for Home Care and Hospice, 2004.

<sup>5</sup> *Long-Term Care Cost Finder*, CNNmoney.com, 2005.

## Planning ahead is a smart move.

By purchasing a long term care insurance policy now – during your younger, potentially healthier years – you’ll save substantially on your premium payments. Why? Because today you are more likely to be insurable. When it comes to buying long term care insurance, good health is a real advantage.

If you consider that nearly 5 million of the 12 million Americans who need long term care are working-age adults,<sup>1</sup> it makes sense to secure coverage when it’s most affordable – even if you start with a very basic policy.

In fact, purchasing Generation Protector II now is probably one of the easiest and least expensive ways to acquire the protection you’re looking for in long term care insurance. You can start with a basic, affordable policy and then enhance your coverage later on with no need for underwriting.

Our **enhanced coverage option** is a first of its kind for long term care insurance. Just choose a policy that offers the price and protection you can afford today, and we’ll make sure you have the flexibility you may need down the road. So lock in your health advantage now!

<sup>1</sup> "Prepare for the Unthinkable: Long Term Care," *MSN Money*, August 2005.



## What makes Generation Protector II so special?

### How do I qualify for benefits?

After providing proof of loss, you can receive benefits for covered care if you have satisfied your policy's elimination period and:

- You are certified unable to perform two of the six activities of daily living (ADLs) without substantial assistance, and substantial assistance is expected to be required for at least 90 continuous days; or
- You require substantial supervision due to a severe cognitive impairment. A severe cognitive impairment is the deterioration or loss of your intellectual capacity.

**Note:** ADLs include bathing, eating, dressing, toileting, continence, and transferring.

Generation Protector II stands apart from other long term care insurance policies, giving you a range of choices to suit your lifestyle. You choose:

- Your maximum daily benefit – **from \$50 to \$500 per day.**
- When your benefits will begin – you can choose an elimination period of **7, 30, 60, 90, 180, or 365 days of qualifying care.**
- How long benefits will be paid – **from a specified number of years to as long as you live.**
- If you'd like a hybrid long term care insurance policy – **a first of its kind!**
- How much you receive for care in the comfort of your home – **get up to 130% of your policy's daily facility care benefit for home health care, adult day care, or hospice care.**
- Other policy options and riders – **make your Generation Protector II coverage a perfect match for your care needs.**



# Generation Protector II offers options and riders to match your lifestyle.

## Hybrid payment system

Generation Protector II gives you the option to receive reimbursement benefits, cash benefits, or a combination of both types of benefits called a “hybrid.”

By choosing a hybrid policy you can receive a guaranteed sum of cash in addition to your daily reimbursement rate. Cash benefits are paid monthly, and you can use the cash to pay for all sorts of things not usually covered by conventional long term care insurance.

You may choose to receive 10%, 25%, or even 50% of your daily benefit as cash. So if you want a \$100 daily benefit, for example, you can select to receive up to the entire amount as reimbursement, or up to \$50 (or 50%) of that amount as cash paid as a monthly sum of \$1500. This is calculated as \$50 multiplied by 30 days.

If you prefer to receive cash and not get involved with reimbursement at all, Generation Protector II also offers a full cash benefit option. You can select to receive your entire daily benefit as a single monthly cash payment instead. Following the example above, if you would like a \$100 daily benefit as 100% cash, you would receive a \$3000 cash payment each month. Again, this is calculated as \$100 multiplied by 30 days.

No matter how much cash benefit you choose to receive, you can use this money to pay for prescriptions, care from family members, lawn service, transportation, and more!

## Independent caregivers

Selecting care providers is an important and personal decision. And Generation Protector II honors your individual preference. This means you don't have to go through a home health care agency for services. Generation Protector II will also pay for alternative home health care providers including private, independent home health aides and caregivers, giving you the freedom to choose what makes you most comfortable.



# More options to match your lifestyle

## Enhanced coverage option<sup>1</sup>

Most long term care insurance products require you to make permanent choices at the moment you purchase the policy. Such a long-term decision could potentially mean:

- Inadequate coverage later on if you choose the least expensive policy
- Unmanageable premiums today if you choose higher coverage than you can afford
- Problems with insurability if your health changes

However, Generation Protector II lets you increase your coverage every five years<sup>2</sup> **without additional underwriting**. So you can buy the policy you can afford now and then add to your benefit package in later years. Any enhanced coverage is priced according to your attained age at the time of the enhancement purchase.

There are three ways you can enhance your coverage under this option. You can:

- Increase your daily benefit amount based on the inflation environment
- Increase your benefit period
- Decrease your elimination period

<sup>1</sup> This feature is not available with the 10-pay option or with the paid-up-at-age-65 option.

<sup>2</sup> The enhanced coverage option is available every five years up to and including your 30th policy anniversary.





Here’s an example of how this may work:

Ben purchases the Generation Protector II at age 55. He has a daily benefit of \$100, a benefit period of three years, no inflation adjustment, and a 90-day elimination period. Here’s what his coverage looks like:

BEN’S ORIGINAL POLICY			
Client (Ben)	Daily benefit	Benefit period	Elimination period
Male age 55	\$100	3 years	90 days

Five years later, Ben decides he would like to enhance his daily benefit amount to cover inflation. He also wants to increase his benefit period by one year. Finally, he’d like to decrease his elimination period from 90 to 60 days. Without any underwriting at all, Ben’s enhanced Generation Protector II benefits look like this:

BEN’S NEW COVERAGE USING THE ENHANCED COVERAGE OPTION			
Client (Ben)	Daily benefit	Benefit period	Elimination period
Age 55 (Original)	\$100	3 years	90 days
Age 60 (Upgrade)	\$28 additional for inflation <sup>1</sup>	1 additional year	Reduced to 60 days
Age 65 (Upgrade)	\$35 additional for inflation <sup>1</sup>	–	–
<b>Age 65 (Total)</b>	<b>\$163 daily benefit</b>	<b>4 years</b>	<b>60 days</b>

As you can see, Ben gains considerable benefits in how much he receives, for how long, and when. Plus, the premium for his initial coverage that he purchased at age 55 remains the same. Only Ben’s enhanced coverage is priced according to his attained age when he purchases the enhancement. So he’s able to save money during his first five policy years by maintaining a basic policy, then is able to enhance his coverage at a more affordable price than most long term care insurance policies would offer.

<sup>1</sup> This calculation is based on the Consumer Price Index increased at 5% compounding for five years.

That’s the  
**Allianz Life**  
 advantage!

### 10-pay option

Some people prefer to pay for their long term care insurance policy as quickly as possible during their peak earning years, leaving them free to use future income on travel, second homes, or other things that enhance their later, active years. With Generation Protector II, you have the option to make equal scheduled payments over 10 years so you can focus on other things that much sooner.

### Paid-up-at-age-65 option

By choosing this option, you can wrap up your premium payments just when you are ready to retire. Talk about good timing! You'll have the peace of mind of knowing your long term care coverage is paid in full, so you can enjoy the travel, activities, and relaxation you planned for during your golden years.



**Talk with your financial services professional about Generation Protector II.**



When you get right down to it, the place where you want to have your long term care insurance needs met is in an environment that you know and love, surrounded by people you know and love. That means it's probably in your own home or community. You've made important decisions your whole life about how and where you live, and Generation Protector II™ respects that.

**Thank you for choosing Generation Protector II.**

## Exclusions and limitations.

No benefits will be paid for any confinement, care, treatment, or service(s):

- For alcoholism or drug addiction
- That result from participating in a felony, a riot or an insurrection
- That result from an act of war, declared or undeclared, or during service in the armed forces
- That result from your intentionally self-inflicted injury
- Provided outside the 50 states of the United States, the District of Columbia, or Canada, except as described in the International Coverage Benefit Rider
- Provided to you by an Immediate Family Member or someone living in your home
- For which you have no financial liability or that are provided at no charge in the absence of insurance
- That are reimbursable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount

## Our top priority is the safety of your money.

All policies are issued by Allianz Life Insurance Company of North America, a member of the Allianz Group. With over 700 subsidiaries in more than 70 countries, the Allianz Group is one of the world's leading providers of integrated financial services.

Our goal is to provide policyholders with wealth management products that can help meet today's needs and financial objectives, with a product philosophy of offering fair and equitable values on each policy we issue.

Allianz Life® has consistently been assigned financial strength ratings by Standard & Poor's and A.M. Best that are among the highest available. It is one of a select group of major insurance companies to receive such high ratings.

These independent agency ratings are based on an analysis of financial results and evaluation of management objectives and strategies. The ratings do not indicate approval by the analysts and are subject to change.

Innovative products, exceptional customer service, and sound financial strength make Allianz Life the place to turn to help meet your retirement objectives.

Policies are issued by Allianz Life Insurance Company of North America  
(form number 11-P-Q).

Agent name \_\_\_\_\_

License number \_\_\_\_\_

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Product availability and benefits may vary by state.

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