

Dear Policyholder:

In order to meet the guidelines in the new federal legislation, our tax-qualified plans have somewhat different provisions than the non-tax-qualified plan.

Under a Non-Tax Qualified Plan:	Under a Tax Qualified Plan:
Benefit Trigger Differences	
1. Medical necessity <u>can</u> be a benefit trigger.	1. Medical necessity <u>cannot</u> be a benefit trigger.
2. Dependence on someone else for <u>regular human assistance or supervision</u> in performing at least 2 of 5 Activities of Daily Living.	2. A licensed health care practitioner must certify that the insured is unable to perform (without <u>substantial assistance</u> from another individual) at least 2 of 5 or 6 Activities of Daily Living (depending on your policy contract) for a period of at least 90 days.
3. Insured must require care due to Cognitive Impairment: "deterioration in intellectual capacity which (1) requires <u>regular supervision to protect himself and others</u> ; and (2) must be determined by clinical diagnosis or tests".	3. A licensed health care practitioner must certify that the insured requires <u>substantial supervision to protect himself from threats to health and safety due to severe Cognitive Impairment*</u> : "deficiency in short- or long-term memory, orientation as to person, place, and time, deductive or abstract reasoning or judgment as it relates to safety awareness."

Under a Non-Tax Qualified Plan:	Under a Tax Qualified Plan:
Tax Treatment Differences	
1. There is no certainty that long term care insurance benefits will not be taxed as ordinary income.	1. Long term care insurance benefits will not be taxed as ordinary income.
2. Long term care insurance premiums are not tax-deductible.	3. Long term care insurance premiums might be deductible if the insured can itemize deductions.
Coordination with Medicare Differences:	
1. Policies coordinate with Medicare (do not pay when Medicare pays) but may pay Medicare deductible for days 21-100.	1. Coordination with Medicare is mandatory – we cannot pay Medicare deductibles and coinsurance.

In addition, there may be other differences, including premium rate and benefit differences, depending on where you live, the policy form you own, and other factors. We thank you for choosing CNA for your Long Term Care insurance needs. If you have any questions, please feel free to contact us at 1-800-775-1541

Sincerely,

LTC Policy Owner Service