

## ForeCare

**Fixed Annuity** with Long-Term Care Benefit

Issued by Forethought Life Insurance Company

**More Care**  
**More**  
**Convenience**  
**More**  
**Control**



This is a solicitation of long-term care insurance by **Forethought Life Insurance Company** and an agent/insurance producer may contact you.

Not a bank deposit	Not FDIC/NCUA insured	Not insured by any federal government agency	No bank guarantee	May lose value
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# Fewer than one-third of Americans age 50 and over have begun saving for long-term care (LTC).<sup>1</sup>

## Do you have an LTC strategy?

### Do you want **More Care**?

Double or triple the amount available to you for LTC coverage.<sup>2</sup>

### Do you want **More Convenience**?

Find out if you qualify within 30 minutes — no cost, no commitment.

### Do you want **More Control**?

In your time of need, you decide how and where you receive care.

Learn how you can get **more** with ForeCare, a unique fixed annuity with long-term care benefits.

<sup>1</sup> U.S. Department of Health and Human Services, longtermcare.gov, as of August 7, 2014.

<sup>2</sup> The ForeCare Multiplier provides two or three times (depending on underwriting eligibility) the amount of contract value in long-term care coverage to spend on qualified long-term care expenses. Benefits are subject to a maximum monthly benefit. The additional coverage in excess of the Contract Value is only available to use for a qualified long-term care benefit and will not become part of the contract value or the death benefit. Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage for long-term care benefits in the future.

# 7 in 10 people age 65+ will need long-term care.<sup>1</sup>

When planning for retirement, we often think about protecting our assets from market volatility, taxes or inflation, but there's also an increasing need to consider the potential effect of long-term care costs. There's a high likelihood that you'll need some sort of long-term care in your life. It can be expensive, and if you don't have an adequate strategy to cover such costs, your assets could be rapidly depleted.

Long-term care services include a broad range of health, personal care, and supportive services that meet the needs of people whose capacity for self-care is limited due to:<sup>2</sup>

- A chronic illness
- Injury
- Physical, cognitive or mental disability
- Other health-related conditions

## Some common long-term care services include:

- Help with eating, dressing or bathing
- Housework
- Preparing and cleaning up after meals
- Physical therapy following an injury
- Administering medications

Long-term care services can take place in a variety of settings, such as:

- In the home
- In the community at adult day care facilities
- At assisted living facilities
- Or in nursing homes.

A typical private room at a nursing home can cost more than \$80,000 per year,<sup>3</sup> and even a home health aide could cost more than \$30,000 per year. Money you set aside in a savings or retirement account could quickly evaporate if you don't have a strategy in place, and that could limit your options.



## Annual long-term care costs<sup>3</sup>

**\$16,080** Adult day care center  
(5 days/week)

**\$27,360** Homemaker services  
(4 hours/day)

**\$30,240** Home health aide  
(4 hours/day)

**\$39,516** One-bedroom  
assisted living

**\$73,800** Semi-private nursing  
home room

**\$82,440** Private nursing home room

<sup>1</sup> 2014 Medicare & You, National Medicare Handbook, Centers for Medicare & Medicaid Services, September 2013.

<sup>2</sup> Harris-Kojetin L, Sengupta M, Park-Lee E, Valverde R. Long-term care services in the United States: 2013 overview. Hyattsville, MD: National Center for Health Statistics. 2013.

<sup>3</sup> "Cost of Care," U.S. Department of Health and Human Services, <http://longtermcare.gov/costs-how-to-pay/cost-of-care>, as of Feb 24, 2015. Costs are based on 12, 30-day monthly periods. Based on average U.S. costs from 2010.

# Could you afford \$80,000 per year to stay in a nursing home?

Long-term care can be a burden to any financial plan.  
How would you pay for it?

You may have money set aside in savings or investments to self-fund your long-term care costs, but you may sacrifice growth opportunities or risk exposure to equity market volatility. Many people turn to traditional long-term care insurance; however, if you do not use the coverage, you lose the money and it can be quite costly.

What you need is a strategy that:

- Offers growth potential
- Maximizes your long-term care dollars, and
- Allows you to pass on unused funds to your beneficiaries

You need ForeCare, an innovative fixed annuity with long-term care benefits that provides a multiple of your contract value for qualified long-term care expenses.



## Benefits of a ForeCare fixed annuity

Because ForeCare is a fixed annuity you can participate in both protection and accumulation benefits:

- The interest crediting is guaranteed to never drop below 1% during the Withdrawal Charge Period (0.10% thereafter)
- The growth of your contract value is tax-deferred, and
- You don't risk equity exposure

## Long-term care benefits

Unlike a traditional long-term care product, with ForeCare any contract value not used for long-term care expenses can be passed to your beneficiaries as a death benefit. However, there is a monthly cost associated with the long-term care benefits rider, which is based on the insured's issue age.

ForeCare also offers other unique benefits.

- **Principal protection** – Your contract value at month-end is never reduced below the contract value at the prior month-end (less any applicable withdrawals) due to the cost for the long-term care benefits rider.
- **Tax advantages** – Qualified long-term care withdrawals are typically federal income tax-free and your contract growth is tax-deferred.<sup>1</sup>
- **2x/3x coverage** – The ForeCare Multiplier provides double or triple (depending on underwriting eligibility) the amount of the contract value in long-term care coverage to spend on qualified long-term care expenses. The additional coverage in excess of the Contract Value is only available to use for a qualified long-term care benefit and will not become part of the contract value or the death benefit.

Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.

<sup>1</sup> Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes, and if made prior to age 59½, may also be subject to a 10% federal income tax penalty.

# Do you want More Care?

## Double or triple your amount available for long-term care coverage

ForeCare helps your assets work harder for you. These unique benefits help maximize the amount available to you for long-term care coverage, providing you with the confidence of knowing you're covered when you need it. Get more care with ForeCare:

- Receive double the amount of the contract value for qualified long-term care expenses with standard approval.
- Or —
- Receive triple the amount of the contract value for qualified long-term care expenses with premier approval.


The long-term care coverage includes the use of your contract value, meaning that you first must exhaust your contract value before you can use the additional ForeCare LTC benefits.

Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage for long-term care benefits in the future.

### Here's how you can get more care with ForeCare

On January 1, 2010, the Pension Protection Act's (PPA) long-term care benefits took effect. Before the PPA, you had to pay taxes on the growth inside of your annuity before paying long-term care expenses. But now, you can use those tax-deferred dollars to pay for qualified long-term care expenses, typically federal income tax-free.

For example, if you invest \$150,000 in a ForeCare fixed annuity, you receive \$300,000 available for long-term care expenses with standard approval. But you could also triple your amount with premier approval, thereby receiving \$450,000 for qualified long-term care expenses. And when you use ForeCare to pay for qualified long-term care expenses, it's typically federal income tax-free.



**ForeCare Highlights**

- 2x/3x contract value for qualified long-term care expenses
- Principal protection
- Tax-deferred growth
- Typically federal income tax-free dollars for qualified long-term care expenses
- Guaranteed minimum interest rate
- Contract value is passed on to beneficiaries

Day 1 → \$450,000



ForeCare Premier Approval

Day 1 → \$300,000



ForeCare Standard Approval

Day 1 → \$150,000



Contract Value

Amount Available for Long-term Care Coverage

# Do you want More Convenience?

Find out if you qualify within 30 minutes

Everyone wants more convenience in their lives — financial products are complicated enough without a cumbersome application process. Forget about filling out multi-page applications and waiting weeks or months to find out if you are approved. ForeCare streamlines the application process:

- The average ForeCare application process takes about 30 minutes.
- There's no medical exam. Simply meet the height and weight requirements.
- Then, answer a series of questions on your medical history to find out if you qualify and whether you could be approved at:
  - the standard level, which provides double the amount of the contract value for qualified long-term care expenses.
- Or —
  - the premier level, which provides triple the amount of the contract value for qualified long-term care expenses.
- Some applicants may be asked to participate in a simple memory and logic exercise via a 15-minute phone call.

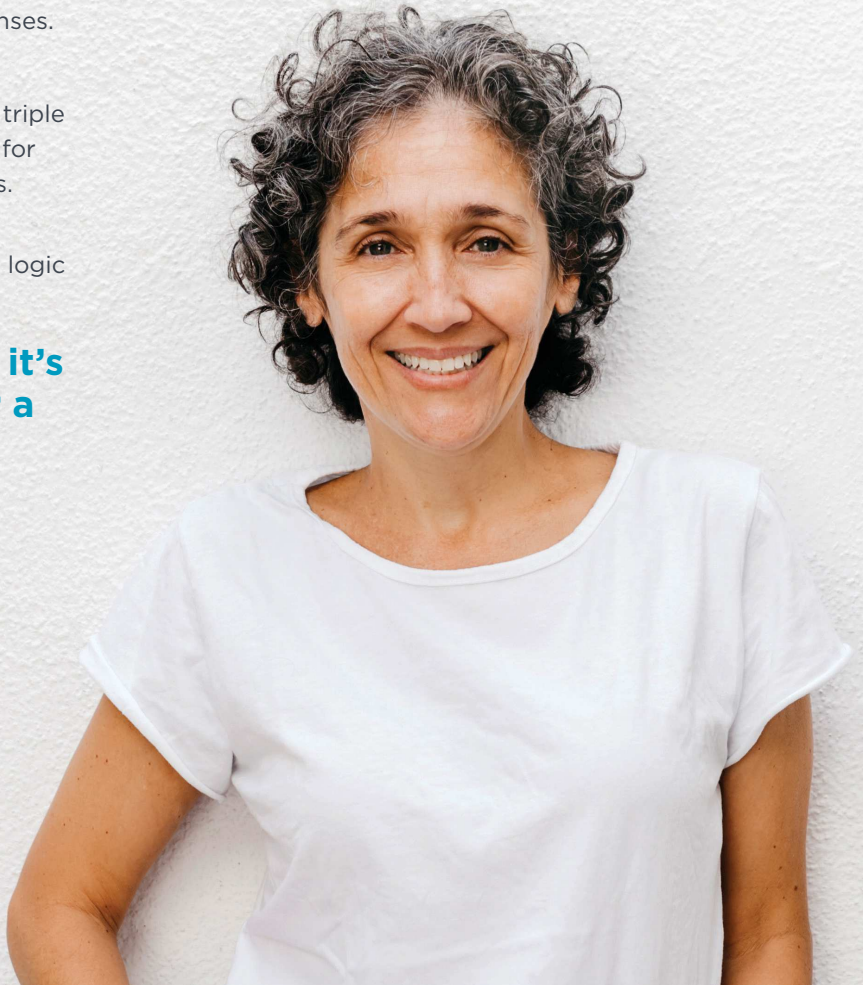
**And then you're done - it's that simple to apply for a ForeCare fixed annuity.**

**95%**  
of applicants  
are approved  
for ForeCare<sup>1</sup>

Of those applicants approved:<sup>1</sup>

**88% Premier Approval**

**12% Standard Approval**



<sup>1</sup> Based on 2014 results.

# Do you want More Control?

## You decide how and where you receive care

Like most people, you would probably like to have a little more control over the simple things in life. With ForeCare, you can decide when and how to receive your care. Whether you want to receive your care at home or in an assisted living community, ForeCare affords you more control to choose the best option for you.

In order to qualify for long-term care benefits, the insured must be diagnosed as chronically ill, which means either being severely cognitively impaired requiring substantial assistance to protect against threats to health and safety or being unable to perform at least two of the six Activities of Daily Living (ADLs).

Covered Long-Term Care Services must be provided in conjunction with a written Plan of Care submitted by a Licensed Health Care Practitioner, and approved by Forethought Life Insurance Company.

To initiate the claims process for long-term care benefits, simply call the toll-free number provided with your policy. A representative will walk through any paperwork, including proof of expenses incurred, at that time.

There is an elimination period of 90 days of covered care within 270 consecutive days.

### Activities of Daily Living (ADLs) consist of the following self-care tasks:<sup>1</sup>

- **Bathing:** Washing yourself or getting into or out of the tub or shower.
- **Continence:** The ability to maintain control of bowel and bladder function, or caring for a catheter or colostomy bag.
- **Dressing:** Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
- **Eating:** Feeding yourself by mouth, by 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.

And, if you don't use your contract value for long-term care benefits, you don't lose your money. Any remaining contract value passes to your beneficiaries as a death benefit.



### Covered care includes:<sup>1</sup>

- Home care
- Adult day care
- Hospice care
- Nursing home facility
- Assisted living facility
- Respite care
- Bed reservation
- Nurse and therapist
- Home health aide and personal care
- Homemaker services
- Chore services

<sup>1</sup> List of covered care may vary by state. See contract for full descriptions.

## Retirees Rick and Sherry's experience with long-term care.

Rick and Sherry have worked hard their entire lives and raised four children, and at ages 68 and 62, respectively, they are looking forward to enjoying retirement. They have mapped out the first 10 years of their retirement and all of the activities they plan to do. According to their plans, Rick and Sherry think they have enough assets to comfortably retire with \$650,000 in total retirement assets:

- \$500,000 of retirement assets 401(k), stocks, bonds, and savings
- \$150,000 fixed annuity
- No debt



However, five years into retirement, Rick starts forgetting things. After multiple doctor visits, he's diagnosed with Alzheimer's Disease. He wishes to avoid being placed in a nursing home. Sherry agrees and with the help of family, friends, and home health aides, Rick lives for another 10 years. Besides the obvious emotional toll on Sherry, the financial toll on her remaining assets was extensive:

- Sherry spent \$580,000 of their retirement assets on in-home health care for Rick
- Sherry is left with only \$70,000 of their total retirement savings after Rick's health expenses
- If Sherry, now age 77, lives for an additional 20 years, she faces a difficult situation



## Could Rick and Sherry have done more?

### Let's see what would have happened if they had used a ForeCare fixed annuity:

- If Rick and Sherry had taken \$150,000 and placed that money instead in a ForeCare fixed annuity, they would have automatically doubled the long-term care coverage available with their contract value to \$300,000 for qualified long-term care expenses upon approval.
- But they might instead be approved to triple the long-term care coverage available with their contract value to \$450,000 for qualified long-term care expenses.
- With \$450,000 available for qualified long-term care expenses. Rick and Sherry would not have needed to spend as much of their retirement assets on Rick's medical care, as the ForeCare coverage would cover much of his qualified long-term care expenses.
- In fact, Rick and Sherry could take as much as \$5,000 per month in qualified benefits per insured, for ForeCare Premier with joint life coverage. With one insured receiving benefits, this would last 90 months. If both were receiving care the total amount of benefits would be the same but would pay out more quickly.
- If Rick and Sherry had a ForeCare Premier benefit of \$450,000, and spent \$580,000 on Rick's medical care, she'd have \$370,000 of remaining retirement assets.

	Original Strategy	ForeCare Standard Approval (2X)	ForeCare Premier Approval (3X)
<b>Assets</b>	\$500,000	\$500,000	\$500,000
<b>Fixed Annuity</b>	\$150,000	\$150,000	\$150,000
<b>Additional Value Available for LTC Benefits</b>	\$0	\$150,000	\$300,000
<b>Total</b>	\$650,000	\$800,000	\$950,000
<b>Cost of Care</b>	- \$580,000	- \$580,000	- \$580,000
<b>Assets Remaining for Sherry</b>	<b>\$70,000</b> in retirement assets	<b>\$220,000</b> in retirement assets	<b>\$370,000</b> in retirement assets

This is a hypothetical example of a long-term care need for illustrative purposes only.

# Start planning today for More Care tomorrow.

Please review your current accounts and then check off which account(s) you would use to pay for an unexpected long-term care (LTC) expense:<sup>1</sup>

Option	Amount	Use for LTC Spending	Option	Amount	Use for LTC Spending
CD/Savings	\$	<input type="checkbox"/>	Mutual Funds	\$	<input type="checkbox"/>
Fixed Annuity	\$	<input type="checkbox"/>	IRA/401K	\$	<input type="checkbox"/>
Variable Annuity	\$	<input type="checkbox"/>	Real Estate	\$	<input type="checkbox"/>
Stocks	\$	<input type="checkbox"/>	Life Insurance	\$	<input type="checkbox"/>
Bonds	\$	<input type="checkbox"/>	LTC Insurance	\$	<input type="checkbox"/>
\$ _____ Total Amount Available for LTC Spending			\$ _____ Total Amount Available for LTC Spending		



## Get More Care with ForeCare.

Please visit [www.globalatlantic.com/forecare](http://www.globalatlantic.com/forecare) to calculate your needs.

<sup>1</sup> There are a multitude of different products that may be accessed for retirement and long-term care needs. For example, stocks, bonds, mutual funds and variable annuities are securities and have different risk/reward characteristics, liquidity properties and tax consequences, particularly when compared to products such as CDs, savings accounts, money market accounts and fixed annuities. Certificate of Deposits (CDs) are bank products that are FDIC insured. Money Market funds are securities and are not FDIC insured and although these funds seek to preserve the value of an investment at \$1.00 per share, there is no guarantee they will maintain this value.

**Get More Care,  
More Convenience  
and More Control  
with ForeCare.**

[globalatlantic.com](http://globalatlantic.com)

## Global Atlantic Financial Group

Global Atlantic Financial Group is a leader in the U.S. life insurance and annuity industry, serving the needs of individuals and institutions. With differentiated investment and risk management capabilities, deep client relationships, and a strong financial foundation, the company has established a track record of delivering proven, value-added solutions and long-term growth. Global Atlantic is a majority-owned subsidiary of KKR, a leading global investment firm that offers asset management and capital markets solutions across multiple strategies.

Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.

No payment will be made for any room and board, care, treatment, services, equipment or other items: (1) Provided by a member of an Insured's Immediate Family, unless: (a) He or she is a regular employee of the organization that is providing the services; and (b) Such organization receives payment for the services; and (c) He or she receives no compensation other than the normal compensation for employees in her or his job category; (2) For which no charge is normally made in the absence of insurance; (3) Provided outside of the United States of America, and its territories and possessions; (4) Provided by or in a Veterans Administration or federal government facility, unless required by law; (5) Due to an Insured's alcoholism or addiction to drugs or narcotics; but not addiction that results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician; or (6) Resulting, directly or indirectly, from: (a) War or act of war, whether declared or not; or (b) Attempted suicide or an intentionally self-inflicted injury.

The qualified long-term care insurance rider has exclusions and limitations.

### Additional State Exclusions and Limitations

In addition to the above, no payment will be made for any room and board, care, treatment, services, equipment or other items:

Arizona – For expenses incurred for services or items to the extent that the expenses are reimbursable under Title XVIII of the Social Security Act or would be reimbursable but for the application of the deductible or coinsurance amount; or

Nebraska – The monthly payment of Long-Term Care Benefits upon an Insured's receipt of Qualified Long-Term Care Services, is subject to the applicable Elimination Period and Waiting Period, if any, while he or she is a Chronically Ill Individual. A waiting period is the period of time that this Rider must be in force before any Long-Term Care Benefits become payable under this Rider. The elimination period is the days of care, as specified for each type of Covered Service, that an Insured must be a Chronically Ill Individual and must be receiving any Qualified Long-Term Care Services other than Respite Care Services, before We will pay Long-Term Care Benefits.

**Other Information** – For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the contract may be continued in force, talk to your agent.

ForeCare fixed annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Available in most states with contract FA1101SPDA-01 with Rider for Long-Term Care Benefits Form LTC2000-01, Optional Inflation Protection Benefit Rider Form LTC2001-01 and Optional Nonforfeiture Benefit Rider Form LTC2002-01. This is a solicitation of Long-Term Care insurance.

**Products and features are subject to state availability and variations. Read the Contract for complete details.**

A fixed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments or index. Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes, and if made prior to age 59½, may also be subject to a 10% federal income tax penalty.

The Rider for Long-Term Care Benefits may be terminated by a written request from the Owner within the 30-day period following a Contract Anniversary. The Rider will also terminate: when the requirements specified for the insured are no longer met, when the Owner is changed, when the Contract is surrendered, upon the death of the last surviving insured, upon annuitization (if elected prior to the Maturity Date), on the Maturity Date, except 1) when annuitization is elected on the Maturity Date, and 2) when the Contract Value is \$0 but unused Long-Term Care Extended Benefit coverage is still available, or upon the date all Long-Term Care Benefits available under the rider have been paid.

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult a tax or legal counsel for advice.

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