

# Reimbursement vs. Indemnity

*Carriers utilize one of these two methods to pay long-term care benefits.*

## Our reimbursement model can:

### 1. Allow your family to care about you, not for you

We believe that long-term care protection should pay licensed professionals to provide services you wouldn't want your family or neighbors to do for you.

### 2. Eliminate paperwork

OneAmerica® can handle billing administration, where care providers bill us directly without involvement of the insured.

### 3. Lower cost

Many other carriers have stopped offering indemnity policies due to the potential for fraud, which leads to high costs for consumers. The reimbursement model has inherent safeguards that make it a more stable platform.

### 4. Be absolutely tax-free

The reimbursement model ensures adherence to the 7702(b) contract, which guarantees the entire amount sent to a care provider is distributed tax-free.

## See for yourself the real benefits of our reimbursement versus indemnity

	Our reimbursement	Indemnity
<b>Cost</b>	Often lower due to only paying for services received	Can be higher due to paying a fixed amount, regardless of the cost incurred
<b>Benefit period</b>	Pays a guaranteed amount of benefits for a predetermined period of time	Can exhaust benefits faster if cost of care is lower than monthly benefit amount
<b>Benefit restrictions</b>	Requires care to be provided by a licensed professional	Does not always require care to be provided by a licensed professional
<b>Paperwork requirement</b>	Insured can pay a care provider directly, then submit receipts for reimbursement <b>OR</b> Care provider can send bill directly to us to pay the claim without involving the insured	Insured must often prove they have incurred care expenses, pay provider directly, then submit to carrier for indemnity payout
<b>Tax implications</b>	Reimbursement amounts are distributed tax-free	Any benefits paid in excess of the IRS daily per diem can create significant tax consequences
<b>Monthly LTC benefit</b>	Pays the exact amount incurred for qualifying expenses, up to a monthly maximum	Pays a set benefit amount, regardless of the amount of charges incurred

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